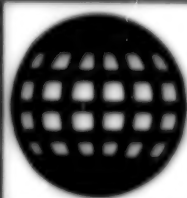


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JPRS Report

East Europe

East Europe

JPRS-EER-92-004

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Conference Addresses Economic Outlook in East
92GE0150A Duesseldorf *HANDELSBLATT* in German
9 Dec 91 p 7

[Article by Hans Joerg Sottorf: "Market Economy Cannot Be Introduced Into Eastern Europe by Parachute"]

[Text] Skeptical optimism with regard to east Germany, deep skepticism without optimism with regard to the Soviet Union—that was the upshot of the "Isny Round," which, this weekend, with the theme "From Marx to Market," discussed economic prospects in Central and Eastern Europe.

Economists, bankers, and politicians, who met for the 12th time in the Allgaeu (in southwestern Germany) to discuss topical economic policy subjects, seldom were as united in their assessment as this year. The discussion showed that the hope accompanying developments in the new laender is derived from the conviction that the massive financial and administrative assistance from Bonn, combined with the German work ethic, is a recipe promising success, despite all the social problems linked to economic restructuring.

The manageable size of the new laender, with their 16 million inhabitants, also strengthened hope in Isny that the problems in Saxony, Thuringia, Saxony-Anhalt, Brandenburg, and Mecklenburg-Western Pomerania can be brought under control in four to five years. The chances of the CSFR and Hungary to reform economically and manage to catch up to Western Europe were also assessed as not bad. Czechoslovak President Havel's chief of staff, Prince von Schwarzenberg, and the former Hungarian ambassador to Bonn, Istvan Horvath, in Isny, pointed to the traditional ties of their countries to Western Europe. Furthermore, there is an industrial culture that will be easier to infuse with new life because it is of a manageable size, where Western aid can be effective. Schwarzenberg and Horvath are agreed that the major difficulty for the CSFR and Hungary is the lost Eastern market.

Little Attention Paid to Romania and Bulgaria

Countries such as Romania and Bulgaria, where no credible political change has taken place so far, received only very limited attention at the Isny Round. Their economic importance for all of Europe, not least of all because of their geographic location, was considered peripheral—in contrast to Poland, to which particular

importance must be attributed because of its development as a bridge country for Europe, and, especially, for Germany. Yet, no one was able to give a definite assessment of Polish prospects, and, naturally, none of Yugoslavia, torn by civil war.

Prognoses on the dissolving Soviet Union were uniformly grim. There was not a single entrepreneur in the discussion group who, at this time, would invest there at his own risk. Georg Krupp, board member of the Deutsche Bank, who had come to Isny directly from negotiations of Western commercial banks on the treatment of the debtor country Soviet Union, formulated it simply: "We are faced with a bleak picture."

Krupp proved it with five theses:

1. The political power vacuum is growing, the supply situation is catastrophic, social unrest and even anarchy are looming.
2. Industrial production is dropping rapidly and has not yet reached its nadir.
3. The currency is totally ruined.
4. Liquidity difficulties are enormous, the last gold reserves have already been scraped together.
5. The importance of the Soviet Union as a trading partner will continue to decrease, the return to old-type barter trade has already begun.

Krupp reported the unanimous opinion of Western commercial banks that the Soviet Union can no longer be helped with "fresh money." As a deterrent example, he mentioned the loan of 3 billion German marks (DM) that he, Krupp, himself had negotiated and that was to serve the buildup of light industry in the Soviet Union. The bankers have meanwhile had confirmation through confidential reports that "not a single project" had been realized with this money. Krupp's assessment is this: Only if politicians, entrepreneurs, and bankers in all Western industrial countries can quickly get together an overall package, might there still be a chance of saving the Soviet Union from total collapse? But there is no longer a guarantee of even that.

The Isny Round came to this conclusion: The best reform recipe for the countries of Central and Eastern Europe is the market economy, but it cannot be simply dropped by parachute, as Lothar Spaeth, former minister president of Baden-Wuerttemberg and present managing chairman of the Jenoptik GmbH (Carl Zeiss Jena), formulated it. The healing processes are protracted and even very uncertain in the case of the Soviet Union.

Constitutional Forum Official on Election Results

92BA0146A Sofia 168 CHASA in Bulgarian 29 Oct 91
p. 21

[Interview with Prof. Dr. Dimitur Chavdarov, neurologist, deputy chairman of the Constitutional Forum, by Mariana Svetoslavova; place and date not given: "The Electoral Failure May Have Been Beneficial"—first paragraph is 168 CHASA introduction]

[Text] Prof. Dr. Dimitur Chavdarov believes that the polarization of society is a psychological rather than an ideological manifestation.

[Svetoslavova] Professor Chavdarov, do you regret having lost the elections?

[Chavdarov] My personal opinion is that this has even improved the situation. Considering the current correlation of forces, our participation in parliament would have been watered down and would have adversely affected our own groups.

[Svetoslavova] How could you explain such unexpected results?

[Chavdarov] Let us go back to the situation before the elections. Certain circumstances led to and created prerequisites for such results. Errors were made by the president as a result of his having taken some hasty political steps. I am referring to his views on Bulgaria's international policy. On the other hand, the communists in parliament saw to it that the elections resulted in their maximal profit. Their actions were synchronized with those of the SDS [Union of Democratic Forces]. The electoral law favored not party doctrines or leaders but parties that were most extensively represented in parliament. As we saw, there were 1.7 million people who voted for the smaller groups, without their opinions having any influence. Or let us consider the independent candidates—people with the ambition for power but with no political doctrine of their own.

[Svetoslavova] Nonetheless, the forecast on the eve of the elections indicated 13 percent in favor of the BZNS-United [BZNS-e] and the Constitutional Forum.

[Chavdarov] Yes, because the projection applied to feelings of sympathy. However, as the elections approached, people were motivated by emotions, telling themselves: Let me vote for parties that offer greater security and that will garner a greater number of votes. All I want is some kind of resolution. However, everyone expected a resolution that could not have come about had eight or 10 percent of the voters supported the BZNS-e.

The polarization of forces in Bulgaria is, actually, not a manifestation of ideology but of psychology. In voting in these elections, the Bulgarian people did not express their profound ideological concepts but displayed an emotional reaction. This is a tortured nation brought to the breaking point.

[Svetoslavova] Obviously, this was not realized by the parties and the coalitions.

[Chavdarov] Yes, and this includes us as well. We had hoped that the intelligentsia would have a certain self-awareness and that the specialists would have a much broader view and would know who could lead the country forward. We believed that the Agrarian Union, which is renovated and is actively developing, could provide a new ideology to the Bulgarian peasant. However, this tie was broken. They did not recognize us, they thought that I was an agrarian, while the agrarians were considered representatives of the Constitutional Forum.

[Svetoslavova] But, with your knowledge of psychology, you may have been able to predict the dangers.

[Chavdarov] We made an error by trying to reach the people with our doctrine and with the possibility of what we could have done. We did not use the tender emotional string used by others. What the people needed at that time was something different. When a person is in a state of crisis, someone should pat him on the shoulder and say, you will get better! That person must inspire confidence and not force the other to think. Our concept did not reach the electorate. At the same time, the Bulgarian National Agrarian Union—Nikola Petkov was engaged in a fratricidal war.

[Svetoslavova] Was such a war not of decisive importance in terms of the elections?

[Chavdarov] Yes, such was the case. Our coalition proudly ignored this feeling, which was categorically working against us. The people love thrills, and those abuses were undermining our reputation. However, it was a principle for the Constitutional Forum not to fight other forces within the opposition, with which it actually shared a common objective.

[Svetoslavova] What are your impressions from your tours of the country before the elections?

[Chavdarov] The rural population had totally lost faith. It did not believe that it could get its land back legislatively in order to start some kind of private activity. It had unlearned the nature of ownership and was expecting that something of a group nature be done, that someone tell it what to do. Until the very last, it did not know whether it wanted its land and, if it had it, what it would do with it. It was hoping that the responsibility for its own land would be shared with neighbors and friends and thus become a collective responsibility.

[Svetoslavova] Is it your view that these elections mark the end of the agrarian ideology?

[Chavdarov] I believe that that ideology has a future, provided it is innovated, because Bulgaria cannot escape its land. There will be farmers in Bulgaria, and they will play a leading role in the economy. A modern agrarian party will never be the leading party of the country but will have its proper place within it.

[Svetoslavova] Let us also speak of the civil movement part of the intellectual Constitutional Forum. Do you agree with the charges leveled at the intelligentsia that it has withdrawn itself from politics and has not taken sides in the red-blue dispute?

[Chavdarov] The intelligentsia is not harshly polarized in any developed country. It is always very critical, always looks closely at the good and the weak aspects of any party. That is why the intelligentsia should be less carried away by party prejudices but more by efforts to consolidate for the sake of national interests. We lost some of our electorate that failed to understand the nature of our alliance with the BZNS-e. It was thought that we had some kind of circumstantial appetite for power, although our representation on the township tickets was quite modest. However, I believe that the time of the intelligentsia is now coming and that the SDS will open the way to it.

[Svetoslavova] Will the political agreement between the Constitutional Forum and the BZNS-e be retained?

[Chavdarov] It would not be at all bad if we united our efforts as a constructive opposition.

[Svetoslavova] Do you not think that your natural position is within a union, let us say with the liberal SDS, in which the intelligentsia predominates?

[Chavdarov] The Constitutional Forum did everything it could to unite the opposition. However, the people did not hear its call. We shared common views with other opposition groups. However, some strange factors interfered, and there was something that was not completely voiced, something that disturbed others. An organization of the intelligentsia and of specialists is considered suspect by any other party. Specialists have their professions, they attain their objectives, they are independent. It is as though the politicians fear that they may appear to be mediocre compared to them. Having taken up politics, it is as though they themselves denigrate their own value.

On the other hand, there was an interference of purely Bulgarian syndromes, such as overestimating our own forces, because one holds on to one's ideas and believes that one will be followed by a sufficiently large number of people. Meanwhile, you do not like everything the others do, you find compromise difficult when it comes to leadership positions, and so on.

[Svetoslavova] Do you believe that the opposition lost its chance through its inability to rally before the elections?

[Chavdarov] Yes and no. An excessively disparate opposition would have made governing very difficult. The best possible coalitions consist of two or three parties.

[Svetoslavova] We know that the Constitutional Forum emphasized the defense of national interests. Do you believe that the presence of the DPS [Movement for Rights and Freedoms] in parliament conflicts with such interests?

[Chavdarov] We do not yet know the objectives this movement will set for itself. It may turn out to be a constructive party that will work perfectly with the SDS. However, if trends toward separatism and privilege appear within that movement, that would make the Bulgarian situation more difficult.

[Svetoslavova] It has been said that the elections should be declared unconstitutional and that new elections should be held.

[Chavdarov] This would mean cutting off the wings of the winners of the elections. The entire nation is relying on some fast revolutionary changes to be made by the SDS. At this point, we need a truly active government. If we were to hold new elections now, no one could predict where Bulgaria would end up.

[Svetoslavova] What will be the future line of the Constitutional Forum, whose objective, essentially, is to build a bridge between the intelligentsia and the governmental structures?

[Chavdarov] We shall try to develop separate groups of specialists in different areas, who will display an overall concept, in the nature of a professional lobby, concerning certain ideas relative to the development of the economy or of specific economic sectors, and so forth. If the government needs them, such people could be useful. If the government has its own experts, we shall merely observe to see whether their actions coincide with our views.

BZNS-e Leader on Election, Future Plans

92BA0147A Sofia ZEMEDLSKO ZNAME
in Bulgarian 29 Oct 91 pp 1-2

[Interview with Tsenko Barev, secretary of the Bulgarian National Agrarian Union—United, BZNS-e, by Zhechka Danailova, place and date not given. "Renovation and Continuity Are the Live Waters of Salvation"]

[Text]

- A discussion of the possibility of the Agrarian Union's becoming a traditional opposition force and the extent to which democracy is a guarantee of political justice

In the case of some parties, including the Agrarian Union, elections at the wrong time proved to be wrong, or, rather, they took place at the least convenient time because the question that is most frequently asked now and will be asked during all the time left until the next election, which may turn out to be much earlier than stipulated by the Constitution, will entail political analyses.

Actually, the public was provoked by reports on the creation of the Bulgarian Democratic Center, of which the Agrarian Union was a member, which is why my discussion with Tsenko Barev, the BZNS-e [Bulgarian National Agrarian Union—United] secretary, began precisely with that bit of news, the more so because I met

Dr. Petur Dertiev at his door. That is why I was interested in the course of the discussions. Mr. Barev's answer was that, until yesterday, there was no knowledge of any plans to include the BZNS-e in the center. It was only after the meetings with Gin'o Ganev and Petur Dertiev that it became clear that they wanted our organization to join their program. "We discussed this with the gentleman, but it is unlikely that we shall quickly reach a decision because we are currently giving priority to implementing the resolutions of the Administrative Council, which is necessary for the further activities of the BZNS-e. Resolving such problems is not currently part of the agenda, which does not exclude the possibility of sympathetically considering any such initiative that could contribute to the stabilization of Bulgarian democracy or the dismantling of the totalitarian system."

The meeting of the Administrative Council was the subject of great interest on the part of the public, our journalistic colleagues, and all participants in political life. Naturally, the conclusions drawn concerning objective and subjective factors led to our unsatisfactory view of the elections, which we assessed. But then that is what democracy is all about—the fact that unpredictable events can occur and roles on the political stage may change. That is why I am interested in the equal importance of the constructive nonparliamentary opposition, which will have its own style and contribution to sociopolitical life.

The session of the Administrative Council was exceptionally necessary and fruitful in terms of the life of the organization, Barev answered. However, we must reject sensationalism. This was rather a working, a constructive, meeting. We had to tell each other a number of things face to face. Many people spoke, and everyone had his view of things, and everyone cared in his own way about the life of the organization. I find nothing extraordinary in the fact that we preferred to express our views in private, without outsiders, because that was our own affair. Incidentally, that is what all parties do. There were malicious hints about the membership of the Standing Committee. I repeat, however, that the specific suggestion of the Administrative Council was that some of the old members of the Standing Committee be kept in their positions in the BZNS-e. Why was this decision made, and what did we have in mind? Holding the scheduled congress three months from now makes it a short time. However, that is precisely what is needed so that the preparations for the congress be made by people who are familiar with such things. The purpose was to have a smaller and more dynamic standing committee, which would implement the resolutions of the Administrative Council and would consist of people familiar with structures, problems, weaknesses, and unused opportunities. The fact that the membership of the Standing Committee was reduced in no way indicates mistrust of the members.

[Danailova] A serious study of the reasons emphasized the insufficient time the agrarians had to prepare for the

elections. It is an open secret that, organizationally, the Agrarian Union is in pitiful condition. However, we must not ignore the fact that you and your supporters came to the country only a half-year ago and were physically unable to be present wherever you were expected and invited.

[Barev] All problems related to the elections were discussed by the Administrative Council. There was not enough time. Time was simply too short. On 27 July, we held an agrarian unity conference, the month after that we discussed and adopted the Constitution, and then there was a recess. In the remaining month and a half, what could be done to counter adverse developments? Let us not even mention the harm caused by the Milan Drenchev group, which was real sabotage.

The BZNS-e did everything possible for the opposition to come out with a common program and a common ticket. However, the idea of a coalition government failed. Actually, that entire campaign on the date of the elections was such as to benefit the two megaforges in political life.

[Danailova] But there is yet another political force about which views are especially polarized: the DPS [Movement for Rights and Freedoms]. Will it be able to play the role of a center?

[Barev] Neither extreme conceals its wish to occupy the space around the center, and apparently that is where they will clash with each other. They both say they are aspiring to go to the center, whereas the DPS is already there.

[Danailova] Still, what is the position of the BZNS-e on the ethnic problem?

[Barev] It amounts to nothing but speeches. No one abroad has done more than have the representatives of the Agrarian Union for the ethnic minorities and the protection of human rights.

[Danailova] Well, those are conclusions about the past. What about the future? Are we to expect any broader actions, and do you not think that the present structures are quite obsolete?

[Barev] At the meeting of the Administrative Council, a number of resolutions were passed that must be implemented strictly and without delay. That is easy to say, but how does one do it? What matters is concentrating on the issues and not ignoring them. The emphasis must be on resolving organizational and ideological problems. Also part of the agenda is the restoration of the youth organizations. We shall now have two consecutive meetings of the Standing Committee to concretize the tasks that will be discussed, along with the problems of rejuvenating the organization.

[Danailova] The congress is scheduled for January. In the short period of time remaining, you must pursue the renovation of the BZNS-e. Does it not seem to you that

you may go to the other extreme, that of rejecting routine while suffering from inexperience and immaturity?

[Barev] The strength of an organization lies in its continuity. That is its core—a combination of continuity and renovation.

[Danailova] Do you not believe that contacts with the rest of the world are a guarantee for an organization to have a full life?

[Barev] Yes, and such contacts are increasingly being made. We are expecting the visits of mixed delegations from Canada, Japan, and France. We are in touch with European institutions and have included some of their programs in our activities.

[Danailova] Were you bothered by the attitude of some people who tried to discredit you, although, actually, that is something no major political personality can avoid. On the other hand, there was the unanimous opinion that individual changes in the leadership were necessary. Everyone was categorical, however, in his desire to allow you to complete the changes within the BZNS-e. Is it that respect for your personality dominates, or is it a matter of lack of trust in other individuals?

[Barev] I am not surprised by the displays of malice, such as anonymous letters and slander. So much mud was thrown that, instead of believing in them, many people were disgusted. However, I have supporters, and the agrarian idea has many loyal followers.

The opposition today is like a snowball that, as it rolls down a slope, takes everything with it—mud, refuse, and, perhaps, a few good things. The Agrarian Union, meanwhile, chooses the clear paths, where the snow is fresh. That is why we shall arrive later than the others, but I hope we shall be cleaner. That is why we are now in the process of assuming the position that, after the political chaos, we deserve, not only because of our past accomplishments but also because of our deep understanding of the future, of the interests and needs of this country, and of democracy, which will free the people in the country.

Presidential Candidate on Ethnic Issue

92P20105A Sofia PRAVA I SVOBODI in Bulgarian
13 Dec 91 p 4

[Unattributed report: "New Ethnic Relations in the Country: From the 1992 Presidential Election Platform of Presidential Candidate Prof. Siyka Georgeva, Doctor of Economics"]

[Text] Past, and even present, practice shows that national security has been threatened by fermenting artificial ethnic problems that were not characteristic of Bulgaria, which has been one of a number of multiethnic countries.

The platform puts forward a formula for unifying diversity in a civil society, with equal rights and responsibilities as a formula for multiethnic integration and with complete respect for the ethnic distinctiveness and uniqueness of different members.

The principles of freedom, equality, nondiscrimination, nonassimilation—these are the basic elements of a future Bulgaria that is free, sovereign, and democratic. Bulgarians, Turks, Gypsies, Armenians, Jews, and others—we are all sons and daughters of the Bulgarian land that has suffered so, and we must live on an equal basis, in peace, understanding, and mutual respect.

Interethnic cooperation, based on equal rights and placing ethnic members on an equal basis, will guarantee the successful development of the productive and demographic potential of the Bulgarian nation and equal participation in the future life of the country by placing the national interests, security, economic stability, territorial integrity, and sovereignty of Bulgaria above all.

DPS Accused of Turkicizing Gypsies

92BA0145A Sofia ZEMYA in Bulgarian 29 Oct 91 p 3

[Article by Boyko Mizov: "The Gypsies in the Bosom of Turkicisms"]

[Text] The Pan-Turkish aspirations of certain social groups in our country, also encouraged by the shortsightedness of high-ranking institutions, are persistently expanding their range of activity. The facts published below, which are published for the first time because of the longstanding tabu against them, prove this.

The powerful preelection work in the Moslem population by the Movement for Rights and Freedoms (DPS) also encompasses a significant part of the Gypsies. Repeatedly—explicitly or discretely—Akhmed Dogan and other leaders of the DPS have declared that one of their important tasks is to draw the Gypsies into "the bosom" of the "Turkish society" in our country. The intensive activity of encouraging the process of Turkicizing among part of "Romany" is being carried out with the long-known means of psychological pressure.

The Turkish circles in our country know that the Gypsies are the largest ethnic group in Bulgaria and that certain features of their life, culture, and religiousness may be utilized for pro-Turkish ideas and goals. The fact is that approximately 610,000-650,000 Gypsies, 45-52 percent of whom are Moslems, live in the country. About 300,000-330,000 Gypsies partially or entirely gravitate to Bulgarian citizens with Turkish ethnic consciousness, which the DPS presents as a "Turkish ethnic minority" in Bulgaria. However, it is known that, all told, there are approximately 640,000 citizens with this ethnic consciousness in our country; a large part are Turkicized Gypsies or Gypsies becoming Turkicized, a fact that explains, to a great degree, the piety of the DPS toward them.

The processes of Turkicization of Bulgarian Gypsies, dating from the time of slavery, are continuing, even in the conditions of postliberation Bulgaria, encouraged by the difficult living conditions and by their settlement in

regions with Moslem populations, where they gradually adopt Islam, the Turkish language, and Turkish names. The dynamics of this process are reflected graphically in the table published here.

	1900	1905 ¹	1910	1920	1926	1934 ²
1. Total number of Gypsies	89,549	99,004	122,296	98,491	134,844	149,385
2. Population by language (Gypsy)	89,549	67,396	76,383	61,555	81,996	80,532
3. Population with Gypsy mother tongue and Eastern orthodox faith	18,215	—	13,724	8,985	15,591	13,323 ³
4. Population with Gypsy mother tongue and Moslem faith	71,317	—	62,639	52,554	66,344	67,103 ³
5. Population with Turkish mother tongue and Moslem faith	531,203	—	494,848	539,115	603,560	615,115 ³
6. Population with Turkish language—all told for the whole country	539,656	514,658	504,681	542,904	607,763	618,268
7. Total number of "the Turks"	531,240	488,010	465,641	520,339	577,552	591,193

¹In 1905, data for parameters 3, 4, and 5 were not gathered in the census.

²In the 1934 census, data on orientation (parameters) 3, 4, and 5 are gathered not for the mother tongue but for the spoken language.

Something more. The Islamization and Turkicization of the Bulgarian Gypsies have received a unique government "blessing." A blatant example in this regard is the Law for the Defense of the State (LDS), accepted by the XXV Ordinary National Assembly (ONS) in 1942, as well as the Ordinance for Settling the Jewish Question. According to Article 24, Jews and Gypsies are forbidden to conclude marriages with Bulgarians. Naturally this legal discrimination pushed many "Romany" toward Islam and "the Turkish society" in our country.

After 9 September 1944, the controlling authorities, instead of working to remove the Gypsy population from the Turkish influence among it, created the prerequisites—during separate periods and places—for Turkish orientation of ethnic consciousness and social orientation of the Gypsies in our country. This included the enrollment of their children in the so-called Turkish schools and "mixed" classes for the inclusion of young "Romany" in military units together with "Turks," for settlement of Gypsies in villages with predominant or compact Moslem populations, and so forth, and all this is being done in spite of the fact that the data concerning the increasing Islamization and Turkicization among our Gypsies were known. Thus, for example, in the 1956 census, more than 130,000 Gypsies are recorded as "Turks." Resolution A-101 of 5 April 1962 of the Politburo of the Central Committee of the Bulgarian Communist Party also has information about this fact. A similar thing also happens in the 1965 census, when approximately 50,000 more Gypsies are included in the graph of our "Turks."

In the statistical data from the 1946 census, a desire to "prove" a decrease in the absolute and relative number of Gypsies in our country is accomplished in this way. In reality, as is well known to ethnodemographers, the Gypsies have higher birthrates and a natural increase in population in comparison with the Bulgarians. The style

and the level of their lives, morals, and customs, certain specific features of their religiousness, and so forth attract part of them to the Moslem population—Bulgaromosems, Kuzulbashi, Turkicized Tatars, and others—and create possibilities for their incorporation with it.

This fact, taken together with the social position of the Gypsies in our country, suggested to the Turkish circles one of the ways for them to influence the social life of our country. Therefore, especially since 1970-75, they began to surmount their arrogance toward the Moslem Gypsies and to work for their purposeful incorporation with themselves. This does not mean that they have changed their intimate, essential attitude toward them, their discrete arrangement of "orthodox Turks" and the cold relation toward the Gypsies.

Another problem is the fact that, led by the goals advanced by the ideologues of Pan-Turkism in our country, part of them are trying to not give external expression of this. They are giving particular attention to "the rebirth process," particularly after 10 November 1989. Indicative in this regard are the publications of the illegal TNODB (Turkish National Liberation Movement in Bulgaria) and its successor, the DPS. In its program declarations, they declare that they will defend the rights of all Moslems in the country. However, that is carried out everywhere in the interest of the "Turkish society" in our country. It is not by accident that the DPS also is making use of the Gypsies in their struggle to impose the Turkish language in Bulgarian schools. One strategic idea is being pursued here—integration of all Moslems in our country into a single "Turkish" society, and that with a distinctly Turkish-nationalistic orientation.

In the actions of the DPS and the pro-Turkish circles in our country, there are no "meaningless activities." Even the widely discussed plan to build a Moslem cultural-religious center in Sofia was connected with the choice of

a specific site—the "Lyulin" residential district, which is between the "Fakulteta" quarter and the Filipovtsi quarter. Some of the largest "ghettos" of Gypsies in the country are there. The situation suggests the intentions to create a center of a Moslem-Turkish invasion among the Gypsies in Sofia.

All of this forces the Gypsy problem to be elucidated in its entirety and complexity. It is high time to undertake measures to solve it on behalf of national interests. If this

is not done, the processes of Turkicization among part of the Gypsies, the pressure of the DPS, and the specific features of their spiritual orientation as a whole may guide the behavior of some swarthy compatriots unpredictably. The experience of their manipulation on Gypsy-centrist, separatist, autonomist, and other principles will bring them to oppose the Bulgarian nation and, consequently, to assist the anti-Bulgarian activity of the Turkish circles in the country.

Antall 'Concentrating Power' Through Dismissals*92CH0201B Budapest HETI VILAGGAZDASAG
in Hungarian 7 Dec 91 pp 6-8*

[Article by Ivan Lipovecz: "The Antal Offensive: Purging the Profile of Key Public Officials"]

[Text] A central bank president, a state secretary, and three deputy state secretaries were consigned to the dust bin last week. Although different official reasons were given in each case, the dismissals point in the same direction: The key public officials inherited from the Nemeth government have done their duty; now they can go.

The matter is starting to become alarming. A prime minister who forgets that over a period of two months he was unable to be angry in public at a group of oversensitive (?) intellectuals in the country, because they had framed in a so-called Democratic Charter, and then had published in the press, their views regarding the kind of republic they would like Hungary to be, and what kind of guarantees they would want in place against phenomena threatening to undermine constitutional democracy. Moreover, on 27 September—it happened to be the same day the Democratic Charter was published—the prime minister told the delegates of the European Movement meeting in the Parliament building in Budapest that the very fact of being able to publish such a document, without fear of reprisals, was proof of democracy's existence and consolidation in Hungary. A prime minister who two months later comes to the conclusion that it was after all incompatible with the loyalty expected of a high-ranking public official—the president of the central bank in the given case—to be included among the signatories of such an essay, and that although he himself had not been able to spare the time to advise the official against signing the essay, he now feels obliged to dismiss the said official from his responsible post. A prime minister who issued no public announcement for at least 72 hours after informing of his decision the official concerned. But when rumors, spread also by the press, and the subsequent public indignation nevertheless forced him to explain his action, he came up with reasons that compelled others to remind him that his memory was faulty—he had appointed the president of the central bank based on a consensus of the six parties, rather than without consulting the opposition. A prime minister who leaves unanswered an opposition leader's rebuke for violating a "gentlemen's agreement" concluded two years earlier, and who publicly stands corrected for his false allegations regarding the dismissed central bank president's professional qualifications, or about his lack of such qualifications. A prime minister who does not deem the members of the nation's highest elected legislative body worthy of explanations more weighty—reflecting perhaps also differences of opinion on economic policy or economic philosophy—than the reason he "fed" to the public two days earlier.

For the story basically is not about Gyorgy Suranyi, but about Jozsef Antal. And it began not on 27 September 1991, the day the Democratic Charter was published, but on 8 June 1989, the day the talks began between the one party in the last days of its declining power, and the previously divided opposition that reconciled its differences for the occasion. At stake was a peaceful transition, a purposeful and institutionalized change of regimes, for which the external and internal conditions were not sufficiently clear at the time to allow the "makers of history" to dispense with maximum circumspection and utmost caution. Including also the compromises that subsequently seemed a severe moral ordeal and were pejoratively referred to as pacts. And it was specifically in reaching those compromises—occasionally they could also be termed masterpieces—that Jozsef Antal developed into the leading personality of the political movement, the Hungarian Democratic Forum (MDF), with which he had had practically nothing to do six months earlier, and at the head of which—at least in the autumn of 1989—he still regarded the previous political power's successor party as the suitable partner for implementing the change of regimes.

Before the first free elections in March 1990 it was already clear to Jozsef Antal that partners for the future governing coalition were to be found not "among the ruins," but among the ascending—let us call them—center-right parties that ideologically were much closer to the MDF. The coalition, however, did not have teams of experts of its own who had suitable experience of public administration and could have been "deployed" quickly. In assembling the second and third echelons of officials for the government agencies, therefore, Antal gladly drew from among the officials who had served the previous regime. Because of their relative youth and pragmatic behavior, if for no other reason, it was possible to use them quickly and effectively to ensure the relatively smooth continuity of state administration. But as evident from such examples as the Ministry of Foreign Affairs, Interior Ministry, Ministry of Justice, or even the Prime Minister's Office for that matter, these officials were unable to advance higher than permanent state secretary or deputy state secretary. Meanwhile the general-staff posts were assigned respectively to politicians of the coalition that won the elections, and to individuals personally loyal to them but previously "not compromised." At that time, however, Antal regarded as important also cooperation with the second strongest party. That led to the late April pact between the MDF and the SZDSZ (Alliance of Free Democrats), under the terms of which Arpad Goncz became president of the Republic and Gyorgy Szabad was elected speaker of the National Assembly. And although no mention of him is to be found in the aforementioned pact, essentially also the 1 July 1990 appointment of Gyorgy Suranyi, a young financial expert not affiliated with any party, was an outcome of that pact.

Relations between the two largest parties worsened considerably during the next six months, while it turned out

that also a proportion of the ministers and state secretaries failed for some reason or other to fit into Antall's concept of government. As a potential threat to the coalition's future, also the conflict between the MDF and the Smallholders, or rather between Antall and Torgyan, was obviously on the prime minister's mind. But the undeniably broadening international scope of the prime minister's politics—and undoubtedly by then also the growing criticism within the MDF—emboldened him to squeeze out the SZDSZ. His growing irritation with a large proportion of the press likewise provided grist for the mills of those who regarded the liberals as the real "obstacles" to a consistent change of regimes.

In their combined effect, the "case hardening" of the conflicts that erupted in the course of enacting economic legislation, the growing international uncertainty in the wake of the collapsing communist governments in East and Central Europe, as well as the social dissatisfaction fueled also by inflation and unemployment, created considerable confusion within the political parties, created opportunity for strengthening certain populist tendencies, and raised also for the government the question of "how to proceed further." Jozsef Antall, perhaps led also by his personal inclinations, has chosen the path of concentrating power. That fosters self-delusion (especially in the MDF's right wing) about exclusion and the exclusive right to build the future. It also perceptibly induces the prime minister to accept the support of such tone-setters, and perhaps even to encourage them. In this period one cannot help but notice the coarser tone of parliamentary debate, the failure of attempts to achieve a consensus among the political forces, the growing tendency to be arrogant and haughty, to hurl invectives at others, and—barely a year after the restoration of relative calm in government offices—the new signs of insecurity within the apparatuses and among their workers. For instance, what is now happening in the Ministry of Foreign Affairs—a complete internal reorganization, the dismissal of professional diplomats from one day to the next—is merely one, albeit spectacular, sign of this process, of the offensive launched to create an "MDF state."

Therefore it will be worthwhile to retrace the story behind the Central Bank Law in the light of these changes. That story began on 22 May 1990, with Jozsef Antall's first speech outlining his government's policies before the National Assembly's plenum. In it he promised a strong and independent central bank, one that, in his own words, "will consistently defend the nation's currency, even against the government if necessary." Next came the introduction of the first central bank bill in the National Assembly in the autumn of last year. And its early "placing in cold storage," followed by the "mud wrestling" between a Ministry of Finance intent of continuing its supervision of the central bank, and a central bank wanting to take its promised independence more and more seriously. Then came the final resolution of the story's plot, the bill's parliamentary debate, in the course of which the advocates of centralization (in part

the financial apparatus, and in part deputies from the MDF's parliamentary caucus) and the troops under the banner of independence (from the central bank and from among the opposition deputies) clashed openly. The casualty in that clash was the law's adopted final text itself. By then perhaps even Gyorgy Suranyi suspected that the independence awaiting him after the law's enactment would not be the same as the independence the prime minister had personally promised more than a year earlier.

Whether this realization was the direct cause of the central bank president's "political rebellion" (meaning his open acceptance of the Democratic Charter) or there were also other factors—for instance, the so-called Konya essay or Istvan Csirka's rather objectionable attack against Konya on the pages of *MAGYAR FORUM*—is practically immaterial from the viewpoint of the consequences. Because Jozsef Antall, in the course of arriving at his present decision and explaining the reasons for it publicly, failed to take into account specifically that Suranyi's action was not without its antecedents. The fact that the prime minister has simply labeled as some sort of "opposition action" steps taken out of context leads one to conclude that Jozsef Antall is either unwilling or unable to respond to continual changes the way he used to in an earlier situation, among an entirely different cast of characters, at the time of the roundtable talks. If two weeks before the Hungarian National Forum's national convention he needed a "sacral" move to reinforce his position as party leader and prime minister, that is just as regrettable as if he were to think—with a kind of Ferenc Molnar attitude—that he alone may decide who will be cast in what role in the coming period's political power play in Hungary.

Composition, Capital of Joint Ventures Analyzed

92C H0252D Budapest FUGYELLO in Hungarian
28 Nov 91 p.4

[Unattributed article "Data Concerning Firms With Foreign Participation"]

[Text] A legal opportunity to establish so-called joint enterprises providing a framework for the operation of foreign capital has existed in Hungary ever since 1972. An influx of foreign capital worth mentioning, however, has occurred only beginning on 1 January 1989 when the corporate law and the law on investments have taken effect. According to our records 227 mainly industrial joint enterprises have been operating as of 31 December 1988 and this number has increased sixfold a year later.

More than 4,000 new organizations have been established last year, i.e., as of 31 December 1990, 5,693 organizations of this type have been functioning. This means that one out of five of all business organizations in Hungary are joint enterprises.

The inclination to invest foreign capital has not declined during the first half of 1991. The number of joint enterprises has increased by more than 3,000 during the

first six months of 1991, at a rate of 800 per month. As of 30 June 8,770 joint enterprises have been functioning in various fields of production and service provision. The founding capital of these joint enterprises amounted to 345.2 billion forints, and 119.2 billion of this amount had been invested in the form of foreign exchange. On the other hand, the amount of founding capital per enterprise and the amount of foreign exchange invested has declined each year.

The ratio of foreign capital invested in 1989 has amounted to less than a quarter of the total founding capital. This ratio has shown a significant 20 percent increase in 1990 and has reached the 36.6 percent level as of 30 June 1991.

In a manner similar to domestic corporations, 76 percent of joint enterprises operate as limited liability corporations. Only about 5 percent of the joint enterprises operate in the form of stock corporations.

Seventy-nine percent of the foreign capital has been invested in the material branches [construction, industry, agriculture, transportation, domestic commerce, foreign trade, water resources management, etc.] while 21 percent has been invested in the nonmaterial branches [personal and business services, health care and business services, community business services] according to 30 June 1991 data.

The significance of enterprises operating with foreign capital in the national economy has continuously increased; their share of all enterprise sales revenues and net profits has ranged from 4 percent and 15 percent in 1990. While the number of persons employed by joint enterprises doubled between 1989 and the end of 1990,

from 109,000 to 215,000, the number of employees in all organizations operating as enterprises has declined by 70,000.

Although the net profits of enterprises has decreased in 1990 by 7 billion forints or 2.4 percent, the same has increased in joint enterprises by 15 billion forints or 68 percent.

Based on their net profits, joint enterprises have paid dividends amounting to 12.4 billion forints in 1990. This figure represents 44 percent of the dividends paid by all organizations operating as enterprises.

The amount of dividends that can be repatriated is 4.2 billion forints, or 4.5 percent of the total amount of foreign capital invested. According to banking records, 2.3 billion forints of the permissible amount has been transferred abroad, and this amount represents 19 percent of the dividends paid.

Decree To Implement Ozone Depletion Agreement

92P/01024

Editorial Report | Budapest MACYAR KOZLONY No. 121 in Hungarian on 2 November on pages 2,406-9. 2,418 carries the full text of Government Decree No. 141/1991 (2 November) giving force to supplemental provisions agreed upon in London, June 1990 to the Memorandum of Agreement concerning "Materials Which Deplete the Ozone Layer" signed in Montreal on 16 September 1987. In regard to Hungary, the Montreal provisions gained force by virtue of Council of Ministers Decree No. 35 of 28 February 1990, and the supplemental provisions agreed upon in London went into effect on 7 March 1991. The present decree contains the Hungarian translation of the original text.

Roman Blamed for Cronyism, Corruption in FSN

92BA03244 Bucharest DIMINEATA in Romanian
21 Dec 91 pp 1

[Article by Constantin Duica. "The Rejection Phenomenon"]

[Text] From Christian Barnard we learned a term that has easily been adopted into the daily language: the phenomenon of rejection. After the first heart transplants it was noted that the patient's body was rejecting the implanted heart. Of course, in the end quick solutions were devised to persuade the ailing body to accept the transplanted heart.

We mentioned all that because it seemed fitting for describing exactly what is now happening in the National Salvation Front (FSN), the party conceived and established to represent all Romanians who, while acknowledging the past, declared themselves ready to change the face of Romania, to build a state governed by law, and to generate a real democracy. With such a generous program, the FSN won the election of May 1990 and formed the first legal government after the revolution.

But we were not destined to have a government that correctly and efficiently managed the affairs of the country, just as we were not destined to have a government party that kept at that level, the promises it made, nor to remain the party for which so many Romanians had opted. Mr. Petre Roman's government, formed along the criteria of groups and interests, in fact became the reflection and outcome of what was happening in the FSN government. The government seized that leadership just as in the countries most of the local leaderships seized all the important administration positions. Instead of resolving the country's serious problems, the new rulers proceeded to line their own pockets and to amass political, social, economic, and financial capital. The government itself was content to hammer out a reform program and start up its implementation, but that against the background of a marked deterioration in the people's living standard.

We must separate from the equation many of the parliamentary groups (in the Senate and the Chamber of Deputies) who took their mission seriously and did not allow the FSN leadership to interfere. From the very beginning disagreement emerged not only in matters of principles but also of moral attitude. On the one hand, the FSN leadership and the government (which in fact were one team) were broadcasting grand phrases to the universe without any basis in reality; on the other hand, Parliament was seriously and efficiently working to draft and pass essential laws. Moreover, some of the laws passed were blocked from the start by orders from the government and from the FSN leadership at all the levels of the administration. A shameless demagoguery became the characteristic trait of the government and the FSN leadership, first directed against the presidents of the two Houses and the alleged resistance of the old communist structure, while later its target became Ion Iliescu,

Romania's elected president. That occurred after the attempt to isolate the president by means of a circle of "advisers" controlled by Mr. Petre Roman and by blurring the presidential functions and reducing them to mere representational gestures. It was only the appeal of the trade unions and the parties that pulled the presidential institution out of its inertia, when Mr. Ion Iliescu demonstrated real skills and talent for settling conflicts and devising amicable solutions.

If we were to define the main reason for the failure of Petre Roman's team, it would suffice to note that the team in question, beginning with himself, was made up of the sons of former communist notables, educated in the country and abroad, who had lived in luxury and far removed from the real interests of the Romanian people. Superficial and indolent, albeit intelligent and knowledgeable, the government provided by these individuals who took advantage of the December 1989 revolution consisted practically of a beautifully displayed adventure alien to the Romanian experience, of gratuitous big gestures, dazzling slogans, and "youthful acts" of a shallow naivete. They managed to deceive for a long time, especially the West—too eager to applaud characters who spoke many foreign languages—but also the country surprised to find that, after the stammered speeches of the "genius" of Scornicești, there still existed Romanians who knew the rules of rhetoric. Except that the enthusiasm for rhetorics could not last very long, something that was most harshly proven by the attitude of the brutally deceived miners. In vain will Petre Roman try to seek the causes of the latest miners' raid at the SRI (Romanian Intelligence Service), the presidency, or the PSM (Socialist Labor Party); the causes are nothing but his own mistakes, his own euphuism.

The first dichotomy occurred in the FSN at the most recent convention when, after the unstatutory elimination of the leadership of the Bucharest organization, Mr. P. Roman forced through a liberal program while declaring that the FSN was a social-democratic party. The doctrine presented left the great mass of participants in the dark; they were surprised to find that they did not understand for what they were voting, but were still disciplined enough to vote in favor. Only a few FSN founders realized that a diversion was underway, that the FSN platform-program was being abandoned, and that the purpose was to create a monolithic party grouped around a so-called national leader. The open character of the Front (alone its name assumed the existence of several directions and factions) was abandoned in favor of a bizarre kind of party without a precise doctrine but authoritarianly led by a labile leader who easily shifted from one statement to another and took serious measures that demonstrated an indubitable dictatorial instinct.

That being the situation, evidently the man against whom Mr. Petre Roman will direct his accusations will be Mr. Ion Iliescu, the real founder of the FSN, the person who embodied the certitude of the majority of Romanians and who practically ensured the electoral

history of the FSN. Fattened and made rich with swift and pitiless zeal (by means of laws imposed and favorably interpreted by the government), Mr. Roman and his numerous acolytes at all the levels of the party and the administration (shamelessly seized by taking advantage of the vacuum of power) thought that they had the power to deploy a new demagoguery designed to obliterate Mr. Ion Iliescu's name from the political awareness.

What those people did not and cannot understand is the fact that the man elected by the Romanians as president is their representative and their like: by his side they can acknowledge the ugly past, have the strength to shake off all its flaws and be reborn from the ashes, and build a new country. Ion Iliescu is the hope and the certainty of its fulfillment. The FSN rank and file, too, understand this. They also understand that in a broad sense the FSN was the country, and that what Mr. Petre Roman and his acolytes are now doing is a dangerous attack not only on the FSN identity, but also on the unity of the people. Naïvely perhaps, or perhaps because of lack of information, this nation, who on 20 May 1990 chose the FSN, obviously seemed to understand that that political organization represented it and belonged to it. Had Mr. Petre Roman possessed the necessary political intelligence, as well as real affection for these people, he would not have resorted to actions uncomprehensible for the majority, moreover with attitudes too reminiscent of Nicolae Ceausescu.

It is not enough to declare yourself an anticommunist and to say you are struggling against the old structures. You yourself should first not originate from those structures. If you should do something real to eliminate them. But since you were the prime minister and had all the power to do so but did not, the moral thing now is to shut up and step aside. That means that you either did not want to do it or were not capable of it. Whatever the reason, it disqualifies you. And when you accuse the man who made you what you were and still are of being a communist conservative, while at the very same time he showed himself to be a brave opponent of the communist dictator Ceausescu, precisely while you were promoting the tails of your coat at French universities as a communist scion and the enjoyer of the milk and honey that only you lapped up, allow me, young man, to regard you as a dangerous demagogue. Just as you spat upon the memory of your father, you will spit upon everything. And especially upon our misfortunes and sadness. You are too far from our ailing body. You are the alien heart that wants to beat in it, but the wretched body no longer accepts you. You have proven that you were changing its identity along with its blood.

And that is unacceptable, Mr. Petre Roman! We may allow one of us to change his name, but not to change the nature of all of us. Therefore, as Eminescu said, remain what you always were: a romanian.

Developments, Changes Within Ruling Party Viewed

2/24/90B Bucharest ROMANIA LIBERA
in Romanian 12 Dec 91 pp 1-4

[Article by Sorin Boțnaru, "National Salvation Front: Questions, Concerns, and Delimitations"]

[Text] The one and one-half years of existence of the FSN (National Salvation Front) were marked by the massive erosion of a party that seemed destined to triumph longer. Many people, including myself, view the erosion as a profound decline accompanied by the alienation of certain persons and especially of social and professional groups.

Internal comments (by FSN leaders or Socialists) opted for the following labels: treason, defections, cowardly behavior, behavior typical of "political mercenaries," lack of public understanding of FSN actions, etc. On the outside things were often wrongly perceived under the impact of some of the images that certain FSN groups produced by design. We think we can contribute some clarifications concerning changes in the FSN and make some forecasts.

In my opinion I must point out that my evaluations are based on what I think is a sound understanding of the groups existing in Bucharest, who after all were the main forces until recently, and on a less thorough acquaintance with second or third-string forces in the provinces. At least four relatively distinct forces were involved in the establishment of the FSN. Those forces engaged in a game of alliances, rejections, and eliminations explicable by aspirations and the means of action employed.

The first was the group of those who thought that their presence at the events following the 21 December was enough to earn them positions in the system of economic, administrative, and political power in place of the representatives of the old nomenclature. Many of them, not well educated, had a pretty simplistic idea of the administrative-political and economic complex and they achieved their socioeconomic aspirations quickly and in a rudimentary manner. Those better educated and better informed on the opportunities offered by the power complex quickly turned into speculators in functions and positions. Their presence in the money world materialized in an accumulation of commercial premises, businesses, and facilities for them and their groups. In view of their lack of interest in matters of doctrine or ideology even as a front they found their "calling" almost exclusively in the area closest to the payoffs of power in local administration, and more seldom in the executive branch, mostly in positions that did not require technical skills.

In time a strategic group took shape in the FSN. That group decisively asserted itself at the March 1991 convention when it practically took over the FSN. Its hard core was made up of young people with advanced degrees in areas such as sociology, law, international and

economic law, and so forth. Most of them had been educated and trained at the Stefan Gheorghiu or similar institutes. What links them together is a certain shared mentality and sensitivity. Having come to a situation where they had to plan a strategy for change, they rewrote, in new and more precarious conditions, the strategy for social domination and control hammered out by the ideologues of the PCR (Romanian Communist Party) Central Committee apparatus and of the Stefan Gheorghiu Institute. (Many of them served as teachers at that institute, initially they gathered around Mr. S. Brucan, but later they split up between President Iliescu and former Prime Minister P. Roman. After the FSN convention (March 1991) they regrouped around Mr. P. Roman and left the second-stringers at the office of the president.)

They were responsible for promoting elimination rather than competition techniques in politics, barring the access of the opposition to information and levers of social control; using force to settle social conflict; establishing the control and domination of the executive over the other social instances, using two sets of speeches and pictures (about the miners and their raids for domestic and foreign consumption); having a group made up of a second generation communist elite calling itself a reform team, and so forth. When called upon to devise a program for the transition to a market economy, they did so from the viewpoint of their interests as disguised representatives of the communist elite. The transition from use to ownership had to proceed primarily in their favor.

Their natural subordinates were those members of the first group who managed to best wield the double-talk technique, and by possible denouncing of those incapable of such methods, of those who used too brutal and obvious means of accumulation, in their eyes it became a policy of combating corruption.

Another group was made up of older people who had held positions in the old communist hierarchy and lost favor at one time or another. Their political behavior seemed to have profited from the experience of failure in the confrontation with the communist leaders of the Ceausescu period. At some points they showed a tendency toward reconciliation with newly born or reborn social or political forces, but the tendency was never pursued to fruition. Constantly exposed to the pressure of younger, self-styled reformists (by communist standards), they did not show enough determination or resilience along this line and were gradually eliminated or pushed to the fringes of decision making. The only one who escaped that process, especially after June 1990, was Mr. A. Birladeanu.

The last group, whose presence was felt especially through insufficiently coordinated personal actions, was made up of people who viewed the FSN as a framework (at the FSN meeting of 23 January 1990) on behalf of Bucharest residents of various political orientations. It rejected the idea of forming a socialist party in the

conviction that it could only benefit the groups of communists for the organization and crystallization of the political sensitivities and tendencies of those who had taken on responsibilities in December 1989. I, for example, believed that once those tendencies crystallized, we would be able to adopt the only correct strategy which was to find lines of communication to and of minimum consensus with the historical parties. (My position along this line was known inside the FSN. For example, in October 1990, at a meeting of FSN deputies with government members in charge of the reform and with advisers to President Ion Iliescu, I stated that the FSN's credibility had dropped so much that it could not sustain its economic measures by itself, and that in view of the low credibility and efficiency of the government, price liberalization was going to increase the economic decline. I demanded a political solution.) Never clearly enough defined, this group remained a dying potential in the FSN. Stunned by the aggressiveness and the methods used by the other groups, persons with such ideas abandoned the FSN en masse in the very first months of its existence. The number of those who remained in it is tiny.

In the process of its assertion, the FSN outwardly carried on a policy of openness to and of attracting sympathizers. Inside, however, a struggle was raging to eliminate those who did not belong to the first two categories. The pattern was set by the swift elimination of T. Budura, linked to the elderly group, at the beginning stages of the organization of the FSN. That was the model for all the eliminations, some of which took the form of ousters, either of representatives of Iliescu's group or of anticommunists who were in any way questioning the pluralism inside the FSN or the government. Under the disguise of the struggle against former nomenclaturists, all pluralistic tendencies were eliminated from the FSN.

The purges and demotions allowed the fairly unimpeded development of two processes. The FSN was seized by the group of young communist wolves (which called itself the reform team) and a regime of semidictatorship of the executive was established. The first measure along this line was the imposition of the law to dismantle the EPUN's (Provisional National Unity Councils) without ensuring elected bodies or other forms of public representation at the local level. That was one of the reasons for the wave of arbitrariness and corruption that permeated the executive at all its levels (May-June 1990). The second important measure was the changing of the FSN statute and the appointment of a leadership team identified with the reform group, which destroyed any possibility, be it even merely theoretical, of having an orientation other than that around Mr. P. Roman represented in the leadership (March 1991).

The current concerns within the FSN are not the outcome of its own dynamics, but of the protracted collapse of the reform team caused by the resistance to and struggle of the society against the perpetuation of the system of semidictatorship of the FSN executive.

In this situation the subordinated group of the "participants in the events" attacked the "reform" group and allowed groups of provincial deputies and senators to get into the game. The latter, for a long time scorned and kept on merely as pawns, and chosen and promoted by the only criterion of blind submission to the wishes of the former prime minister and his clique, now represent a greater potential for resistance.

The domination of the reform group has come under too much attack and the cosmetic measures so far taken by P. Roman do not satisfy anyone. In these conditions, it is possible that remnants of the group influenced by President Iliescu may attempt to regain its positions. In any case, the FSN has lost any chance it had to develop a line of reconciliation with the country's historical forces.

PSDT Platform, Ties to Other Parties Discussed

92BA0313A Bucharest LIBERTATEA in Romanian
12-13 Dec. 91 pp 1-2

[Interview with Lucian Cornescu, chairman of the Traditional Socialist Democratic Party, PSDT by Roxana Costache, place and date not given: "I Came, I Saw, but I Don't Know Whether I Conquered"]

[Text] [Costache] the first PSDT [Traditional Socialist Democratic Party] congress cleared the air, in the sense that it reconfirmed the basic concepts of its platform-program and elected, fully in accordance with the statute, the central leadership bodies and the chairman. Nevertheless, I and probably many others, still have some questions. For example, what exactly sets this party apart from the many other Romanian parties that claim the center as their position and social democracy as their ideology? And then, how is the adjective "traditional" reconciled with the innovative directions required by the country's recovery and especially with the "views" of the chairman, who in a way is our own Ewing?

[Cornescu] If you compare me with the members of that famous family, I'd rather be compared to the father than the sons, especially J.R. Both old Ewing and I find perennial value in tradition, which is an asset to be respected and used. Naturally, tradition includes both conservative and progressive elements. Now that we are seriously considering a political and socioeconomic recovery, we cannot ignore our natural links to the past and the future and must ensure the necessary and normal continuity in the process of turning back.

Consequently, the PSDT is the present extension of the history of Romanian social democracy, especially of the concept of Titel Petrescu, thus conferring universal value to the modern social-democratic system. Don't we view this process as unanimously valid precisely because at all times and in every context it expresses the same two essential facets of life? Meaning democracy, the sacred right of each individual, and social sharing, which in turn is a profound human right.

[Costache] How do you explain the center position?

[Cornescu] It exists! For those who need social democracy—which is not only an alternative, but also a real chance for the future—a field with a gravitational political effect is forming perfectly logically.

[Costache] Does it mean that we are fated to remain "in the middle"?

[Cornescu] From a humanitarian viewpoint, the answer is positive and it justifies the very existence of our party. We don't want people to be "stuck in the middle" any more, but to live where and how they wish, and to be able to choose the area that suits them. Only the social-democratic "center" allows an unimpeded and sufficiently wide assertion in both directions of the "political chessboard"—toward center-right and center-left—thus forming an alliance between the differences and the gesture of accepting various forms of social fairness. The "crossroads" is precisely the position of a coherent meeting point.

[Costache] A party serving as a balancing tool, so to speak? You aspire to balance and at the same time to even out the system of levers "activated" from a "point" of optional synthesis, so as to satisfy as many people as possible?

[Cornescu] If that's what you understood and if the readers will understand the same, that's very good!

[Costache] What are the advantages of this concept of modern social-democracy, developed from a very previce tradition?

[Cornescu] The chance of turning Romania into a normal, democratic, and wealthy country. The PSDT internal and thinking mechanism offers a real chance for the country's recovery. And recovery, you must admit, is the basic objective of contemporary Romania.

[Costache] Your party's program envisages a new economy, do you also have the "reliable cadres" capable of implementing it?

[Cornescu] Anyway, more than others, because among us we have people with great experience in the area of world economics, who are well versed in the concrete ways in which the world does business. They would certainly have an easier time securing advantages and larger profits for the country, leading part of the country.

What people fail to understand—and therefore to accept today—is the fact that currently there is practically no difference between managing a large enterprise and managing the economy of a country. The concept is exactly the same—instead of managing IMGB [Bucharest Heavy Machinery Enterprise] with its 20,000 workers, you're managing a unit with 15 million workers. The "parameters" pursued are identical: individual profit and profit for the shareholders! As an argument I will cite the following observation: Currently the "individual" figures of some U.S. or Japanese trusts are larger than the turnover of the entire Romanian economy.

There exist foreign trusts which create revenues larger than all of industrial Romania.

[Costache] Should we be thusly "manipulated?"

[Cornescu] Manipulation is a terribly deceiving word. Usually manipulation occurs in the political, not the economic realm, because the public, not very well politically educated, has greater difficulties understanding. In the economy such attempts are easily seen through, because figures immediately betray themselves!

[Costache] At the press conference organized at the end of the PSDT congress you sharply disassociated yourself from the economic policy of the Roman government team, which is now continued in the Stolojan version. The country, however, is on the track of reform and has been following that track for almost two years. In your opinion, should we reorient ourselves?

[Cornescu] Not only in my opinion, but in the opinion of anyone who's looking at the results.

[Costache] In a science-fiction movie, Superman, seeing that he had made a mistake, stopped the movement of the planet, sent the earth back into time, and when he got to the point of the mistake he changed course. Will we be capable of a "return" that should not consist of a mere correction? Wouldn't that cause even greater chaos?

[Cornescu] Superman was facing a special event, a cataclysm!

[Costache] That's exactly what I understood at the press conference, that we are headed for a cataclysm. Superman's reaction was instructive and individual. Is yours dictated by a profound patriotic consciousness, by the idea of averting a national calamity?

[Cornescu] Of course, I like your imagery, especially the importance of the gesture and the miracle of averting a disaster. Except that we are social-democrats, and as such, if there is to be change, it will be only with the agreement of the people, of everyone. We will state very clearly that there are only two ways. And we will ask: Do we continue as we began—in which case we will need seven to eight years to shed some light... or do we go back a good length of the way and reach satisfactory results in two to three years. This is how much it will cost you. We practice a mathematical thinking!

[Costache] Do you think that we are not following a correct prognosis, one based on mathematical calculations?

[Cornescu] At the moment the orientation is along the line of the seven to eight years formula and the idea is that once that stage is covered, people will eat better. We intend to clearly tell people that they'll have to suffer—that's life—for another two to three years.

[Costache] The next question I have asked other politicians, too: Are you convinced that your party's applied version will lead precisely where you intend to get? Are

you positive that you're not wrong? After all, the public recognition of difficulties does not resolve more than does their "concealment."

[Cornescu] Economic parameters are not abstract quantities! There are rigorous working methods that set in equation both the positive and negative parameters in the reality of a country and provide a correct picture with favorable solutions.

[Costache] You have done such an analysis and, in accordance with the combination of parameters, you have come to the conclusion that it would be possible and beneficial to retrace our steps? In other words, you offer us the shortest torture? How would the PSDT economic program handle this maddening transition?

[Costache] There are several preliminary levers that would allow a healthy program.

[Costache] You have not hammered it out yet?

[Cornescu] I'm talking about the country, not the party! But the implementation of the program requires credibility, especially in the realm of politics. The country's leaders must be granted due credit. The people must accept our economic policy, and there must be democracy. A measurable democracy represented by a strong government, strong trade unions, and a strong opposition.

[Costache] Is there room in your formula for a good professional like Mr. Stolojan?

[Cornescu] Of course. As far as I know, Mr. Stolojan belonged to the team tasked by Nicolae Ceausescu to pay off the foreign debt, in which he was successful. As a good professional involved in a complex financial problem he is entitled to manage such "aspects." But at the national level one has to also take into account a person's social and political skills.

[Costache] Polls carried out by both the IRSOP [Romanian Public Opinion Study Institute] and by the GDS [Group for Social Dialogue], and SOFRES [expansion not given] show that the people's appetite for politics has dropped. Political issues now come third and even fifth on the list of interests. The opinions of the large majority are predicated on whether and how their "living" conditions are met.

[Cornescu] An authentic political education would allow people to grasp the fact that precisely good politics can give them what they don't have today. In the Moldovan villages I recently toured people told me: "We'll vote again for Iliescu, because we know him." Not because he's good or bad, but because he's known! They're not even considering that someone else, still unknown but who tomorrow will undisputably be good, may become president.

[Costache] What's stopping you, for example, from making yourself better known in order to gain public acceptance for what you want to do? I think you need the

public to get a better understanding of your party's policy and implicitly better decipher your person.

[Cornescu] Television, as a tool of democracy, should be more widely available to those who indeed have something to say. And the mass media in general.

[Costache] Do you think you'd enjoy greater credit if you appeared on television more often? During the miners' raid, when you came on television and spoke about contributing to resolving the supply problems by installing bread ovens, I was irritated.

[Cornescu] I'm very pleased that you hated me!

[Costache] I didn't hate you. I discarded you, and I catalogued you as superficial, considering the prevailing tension and situation, and I was bothered by the propagandistic nature of your intervention.

[Cornescu] But what if my thought had nothing to do with propaganda and was purely humanitarian?

[Costache] Perhaps, but what you're telling me now was not clear at the time. This shows that there are major "failings" in the way that you and your party express yourselves. I don't mean to make accusations—talking can obviously dispel false impressions—but as a regular citizen I dare call your attention to the fact that your pronouncements are not always sufficiently clear and that is precisely why they may reflect paradoxically in the awareness of the public. Evidently, if the pronouncements are honest.

[Cornescu] In general, I, too, have a feeling that one of the great sins of politicians and parties is that they suppress honesty under the too official attire of communiqués. In some ways your criticism is correct.

[Costache] And a last, routine question. I would say: on the eve of the electoral campaign. With whom will you associate? From the viewpoint of quality, not conjuncture.

[Cornescu] With the MER [Ecology Movement of Romania], with whom we share a common taste for democracy. With the PAC [Civic Alliance Party], I don't know. I haven't had enough discussions with representatives of that party to find out how similar or how different we are. About the same goes for the PUNR [Romanian National Unity Party]. Definitely with those who work and don't make much noise, like the Private Entrepreneurs' Party or the Romanian Village Party. Not with the extremist parties.

[Costache] Which ones are those, because no one declares himself an extremist?

[Cornescu] So what's Vadim? What's Romania Mare as a party? Vadim's life philosophy, the way he expresses himself to life is an absolute negation of human relations. When a person does everything he can to make another suffer and is happy with the results, he becomes a negation. A monster. If a party bets on extremes, on the

negative extremes of human thinking and existence, it is certainly an extremist party. And by definition it becomes unfit for association.

SRI Press Bureau Responds to Roman Allegations

92BA0296C Bucharest ROMANIA LIBERA
in Romanian 11 Dec 91 p. 2

[Text] of statement by the Press Bureau of the Romanian Intelligence Service, place and date not given. "The Status of the Securitate Files"—first paragraph is ROMANIA LIBERA introduction.

[Text] In connection with the tendentious and utterly unfounded assertions made by the former prime minister, Mr. Petre Roman, during his recent visit to Cluj—published in the independent magazine NU of 2 December 1991 and picked up by ROMANIA LIBERA on 4 December 1991—the Press Bureau of the Romanian Intelligence Service (SRI) has been empowered to make the following statement.

At no time did the former prime minister request the SRI leadership to "block the Securitate files" as it is, such a measure could not be carried out without a prior decision by the Parliament and the president, to whom the SRI is subordinated until laws are adopted regulating the statute, organization, and operation of this organization.

In the absence of legal provisions, the SRI director issued Order No. 0138 of 9 May 1990, by which he established certain internal measures designed to ensure, among other things, due protection for the archives left by the former Securitate bodies. Consequently, those archives were preserved intact and are in good condition.

On the other hand, we want to point out that after the issue of Decree-Law No. 118 of 30 March 1990, the files left by the former Securitate bodies were used to issue more than 23,000 certificates requested by persons who had suffered political persecutions under the communist regime, at its initial stage that action was carried out in cooperation with the Interior Ministry, and later with the cooperation of the Ministry of Justice and Romania's Prosecutor's Office.

Equally unfounded was the assertion that the SRI "did not present to Parliament its position concerning the archives of the former Securitate." Along this line, suffice it to recall the fact that a first viewpoint was submitted to the legislative power together with the draft law on the organization and operation of the SRI, not to mention the statements frequently made in that connection by Mr. Virgil Magureanu (on the occasion of press conferences, questions in Parliament, interviews, etc.). Concerning the files kept in the operations-intelligence section, the SRI leadership believes, on the strength of arguments presented to Parliament, that they should remain confidential.

In the wake of Law No. 38/1990, the rights awarded under Decree-Law No. 118/1990 were also extended to "persons deported abroad" or "held prisoner by the Soviet side" after 23 August 1944. Thus, the SRI leadership was of the opinion that the documents concerning one of those two categories should be handed over to the Ministry of Justice and to the Prosecutor's Office, which was indeed done under Government Decision No. 113 of 19 October 1990, signed by Mr. Petre Roman himself.

On the basis of that decision, 81,295 files concerning persons who served prison or house arrest sentences were handed over to judiciary bodies, and 15,110 files concerning penal cases that were not sent up for trial were taken over by the Prosecutor's Office.

Left with the SRI were 35,305 files dealing with attempts committed against state security prior to 1944, or after that date if they involved espionage or treason, or subversive activities of an Iron Guardist, national-irredentist, fascist, or terrorist of diversionist inspiration.

In order to implement that decision, the SRI, the Ministry of Justice, and the Prosecutor's Office drafted the "Joint Plan of Measures" No. S/763 789 of 1 November 1990, of whose existence Mr. Victor Babuc, the minister of justice at the time, was aware.

Currently, the cooperation between the SRI, the Ministry of Justice, and the Prosecutor's Office is proceeding on the basis of a new protocol, signed at the end of November 1991, which allows us to respond more efficiently to appeals by persons who suffered political persecutions.

The provisions of the above-mentioned documents, although they were meant for internal use, demonstrate that the archives left by the former Securitate bodies are not accessible to just anyone, but are subject to stringent protection and preservation measures.

As for the publications *EUROPA* and *ROMANIA MARE*, which in the opinion of the former prime minister were allegedly "supplied with documents from the archives of the former Securitate," we want to inform the public that the relations between the SRI and those publications have the same scope and purposes as those "existing" between our organization and *STRICT SECRET*, *ROMANIA LIBERA*, or *EXPRES*, to name just a few, which for some time have been carrying similar material.

The only plausible explanation we can give about the appearance of documents that belonged to the former Securitate in the pages of the above-mentioned publications is that after 22 December 1989 more than 20,000 personal files on people who had contacts with the former Securitate bodies, and about 19,000 files on citizens suspected of various things were stolen from the offices of several Securitate bodies.

We have indications that some of the material that disappeared on 22 December 1989 and in the following days, directly or indirectly came into the possession of the persons they concerned or of interested third parties. Some of them have already been made public by the mass media, and information exists that others were taken out of the country.

We think that Mr. Petre Roman's assumption that some files are being used from behind the scenes against "people who feel tainted," was launched for the only purpose of raising doubts about the professional and civic honesty of those who criticize, especially in the press, the obvious outcomes of the Roman "rule." Along this line, we want to point out the fact that the operations-intelligence files of the former Securitate are more complex in their structure and far richer in information than was indicated by the "disclosures" used (or abused) by certain publications; consequently, those who accuse us of making illegal use of such files should realize that if the SRI were indeed doing anything of that sort, the "demolition" of the person concerned would be complete and beyond repair.

Regardless of the views expressed, the SRI will continue to fulfill its duties on the basis of the tasks given to it under Romania's National Security Law.

At the same time, we believe that the only explanation for the vehement campaign of slander that Mr. Roman launched—after his ouster—against the SRI and its leadership is a totalitarian type of "political" thinking ("Whoever is not with me, is against me"), and when all is said and done, is aimed only at weakening and possibly annihilating one of the main means of ensuring national security.

In fact, the former prime minister evinced the same attitude when he attacked the presidential institution and its representative, whose support he enjoyed and used to the hilt—at least at the beginning of his lightning political career.

As for the accusations leveled at the SRI and its leadership, we are of the opinion that they reflect a wrong balance of values and we responsibly declare that none of them rests on any real motive, foundation, or proof. The man who imposed himself as the "national leader" of the FSN (National Salvation Front) should keep in mind the fact that unfounded, unproved, and tendentious accusations carry not only a moral penalty (of which Mr. Roman probably believes himself exempted) but also a criminal penalty, which in a law-governed state no one can escape.

Broad Spectrum of Opinion on Constitution Revealed

92BA02834 Timisoara RENASTEREA BANATEANA
(in Romanian 29 Nov 91 p 6)

[RENASTEREA BANATEANA opinion poll] "What Do You Think of the Text of the Romanian Constitution?"

[Text] Mihaela Glavan, engineer, agricultural machinery station, Timisoara: "I have had a general look at the text

of our Constitution and I will go back to reread it. My opinion is the following: Rather than a country without a Constitution, it's better to have a Constitution that can be perfected."

Gheorghe Bala, engineer, commercial director of the Filly Company, Timisoara: "I think that the 1991 Constitution is the freest to date, it is indeed a democratic Constitution in the true sense of the word."

Maria Bent, retiree, Timisoara: "We need a Constitution, we need stability. Both I and my husband agree with the text of the new Constitution."

Sanda Visoiu, medical assistant at county hospital: "I don't go in for politics, of course, I read the text of this Constitution, it seems all right to me, comprehensive, I agree with it."

Mircea Vataescu, pensioner, Timisoara: "I think the main thing is to implement and observe the provisions of this Constitution to the letter, down to its last article. Personally I'm in favor of also having a law against corruption or against alcoholism (like in Cluj) and also for finding solutions against the 'lines' that take up the time needed to work. Anyway, now it's too late to make amendments or improvements in the Constitution."

Dan Feraru, engineer, Extraceram, Timisoara: "My answer is: No! Meaning that the contents of the present Constitution were not sufficiently thought out and analyzed and that it has room for many amendments."

Gheorghe Gozan, engineer, Electromotor Ltd., Timisoara: "Of course I agree with the text of the Constitution, it was high time our Parliament passed it, because we could never advance along the road we intend to follow without such a fundamental law."

Prof. Maria Ionescu, C.D. Loga high school, Timisoara: "It is undoubtedly a good Constitution. If in addition to respecting it we were to decide to work more and better, we could only gain by it."

Mihaela Gaihar, lab technician, Center for Preventive Medicine, Jimbolia: "The Constitution is a law, a foundation that has to be observed. It is our guide, for the future, our compass for the future."

Gheorghe Codrut, M.D., lab director of Center for Preventive Medicine, Jimbolia: "The Constitution is the law of laws and it is welcome. I remember how in my childhood, when I was about seven, our teacher used to take 'Saint Nicholas' [whip] off the peg and lay down the 'Constitution' on unruly students. Correct them, in other words. That's when we learned to be honest and diligent. The present Constitution is very opportune. It is very important that we observe it exactly. Its passing means that we are finally beginning to settle down. Let's hope that it will be followed by a law on the press and other

laws for fighting corruption and ensuring the inviolability of the person both in the street and in one's own home. Anyway, it's a good and opportune Constitution."

Constantin Slavrad, technician: "Some articles need to be amended, for example, those referring to the right to free movement or to land, which I think are not expressed clearly enough. The same goes for the paragraph regarding the division between the three powers in the state. After reading the text of this Constitution my personal opinion is that, unfortunately, the political power continues to govern the economic power."

Petru Iantu, handball player, Poli: "It's good that it exists, but it could be better, and that's the snag. Why is it not better?"

Stefan Grozavescu, engineer, Electrotimis Ltd.: "If 400 enlightened minds (Parliament members) thought it was very good and they voted for it, what difference does my opinion make?"

Florin Roman, engineer, Servagromex, Remetea Mare: "First of all, it's good that we have one, it would have been worse if it hadn't been passed. Especially looking from outside in. Still, it might have been better to have elucidated several unclear points beforehand."

Ionel Florea, technician, Timisoara: "In view of the fact that this Constitution has a republican bent, the referendum should have been organized first. The way it is now there will always be arguments with some people."

Lucia Robitu, editor, Arad: "That's what there is, that's what we'll have. I don't think that anything can be changed now, at least in the near future. So, if it's 8 December, it's the Constitution. That's it for 1991."

Pepi Vucan, engineer, Timisoara: "Let's consider well, would it have been better without? As it is, some people are bad-mouthing us about being... but I better stop here. Whether it is good or bad will be seen in the future. If it's good, it will remain as it is, or undergo minor modification. If it's not good, we must be certain that it will be revised. The only thing is that the amendment mania not seize everyone who will come to power."

Ion Magat, technician, Regional Railroad Central, Timisoara: "Too many prerogatives for the president. Other than that, I agree with all the other points."

Petru Fanita, technician, UMT: "I agree with all the points of the Constitution and I'm sorry that the UDMR [Democratic Association of Hungarians in Romania] voted against it, in spite of the fact that previously, when the points were discussed, they agreed with them. Romania must have a Constitution favoring the native nation without, however, neglecting the minorities."

Titus Lazar, jurist, UJC (expansion not given): "The Constitution was hammered out in an appropriate democratic framework and in keeping with the country's present situation and its future prospects, and with an eye to ensuring political and social stability. The people

must have faith in the laws of the Constitution, the fundamental laws which in the final analysis will lead to the realization of additional laws designed to promote the exact actual implementation of this fundamental law."

H.B. officer Timisoara: "I think that the Constitution perfectly reflects the current situation and the changes that will follow."

Alexandru Constantin, retiree Timisoara: "It seems to me that it was well drafted by competent people and that it shares much with European constitutions, but I also appreciate it with a plus in democratic experience (as published), which after 45 years is finally giving our people great opportunities."

Prof. Ion Brezoara, Azur High School Timisoara: "I think it is very well integrated in the European world and very democratic even in the international context."

Vasile Alexe, reserve officer Timisoara: "The Romanian Constitution was necessary and is sufficient to demonstrate democracy in Romania. I was surprised at those who disagreed with some of its points and I think that they are enemies of the people."

I. Zand, Girocului Ave. Timisoara: "I haven't had the time to study the new Constitution, but I hope that most of its drafters knew what they were doing for the good of the Romanian people."

Teodor Margineanu, engineer, Litt Ltd. Timisoara: "I have a very good opinion of the Constitution. It would have been good if it had been passed sooner. We need this kind of law."

Gabriel Ionescu, M.D., retired Timisoara: "I actually now had a feeling of impermanence from a legal viewpoint, and I was not the only one. There is no doubt that a whole string of abuses were committed precisely because of the absence of such a law. The Constitution is very opportune because it also clarifies the matter of the undesirability of the monarchy."

Mariana Popescu, worker, Autonomous Transportation Management Timisoara: "It is the same Constitution as under Ceausescu. Nothing essential has been changed."

Mariana Marneicu, assembly worker, I.A.M. Timisoara: "I'm satisfied with the text of the Constitution. I watched the debates on television every evening and I realize that it should have been passed sooner. It is very important that we have a constitutional guarantee."

Ioan Macedlean, chief accountant, Deta: "Reading the text of the Constitution I gathered a very good impression. It does not have weak points and moreover, it can, of course, be improved."

Ioana Margelan, homemaker Timisoara: "We have been waiting for the Constitution for a long time. It regulates very many things. First of all, it takes us out of the

temporary situation and clarifies the dispute around the so-called opportunity of the monarchy."

Constantin Piriba, officer Timisoara: "The passing of the Constitution has restored our country's prestige and dignity in the eyes of its own citizens, as well as of international public opinion."

Emilian Draia, entrepreneur Timisoara: "Considering that it was long thought out and planned in the smallest detail, I don't think that I could still have other opinions, except for the essential one, meaning that I favor the republic, not the monarchy."

Constantin Moraru, retiree Timisoara: "Of course we needed a new Constitution to reflect the new directions that the Romanian society must pursue in the future. I'm surprised that some people reject the new Constitution as a whole, which I think is very wrong. It is true that I don't agree with all its points either, but that doesn't mean that I reject the document as a whole, especially since anything can be improved."

Elvira Tepelea, medical student: "Whether there are mistakes of not major or minor in the new Constitution, it has to be enforced, primarily by those who are called upon to ensure a normal everyday life: the president, Parliament members, government, judges, etc. I say that because the last communist Constitution also ensured various liberties, at least on paper, which we weren't able to enjoy. I hope that won't be repeated."

Emilia Smolean, medical student: "I'm not familiar with the entire text of the new Constitution, but from what I've seen it seems to be a very important document, which we needed, and which I hope will bring some improvements in our life and our society."

Constantin Avanes, worker, Modatum Ltd. Timisoara: "It is absolutely necessary law at these difficult times for the country, even if not everyone likes it. In fact, I don't think that is possible in any country in the world, and I think that's rather normal. I hope there won't be any hostility between those in favor and those against the Constitution."

Petru Turta, retiree Timisoara: "We should go back to the 1923 Constitution, because at that time (it was) good here and we were recognized in the world as a civilized and diligent nation. That Constitution was not officially abrogated when the Communists came to power, even though having had the vote of the people. It should be made official. Once the communist Constitution was abrogated, normally we should have gone back to the old document, but that did not happen. So everything that occurred after December 1989 is unconstitutional."

Vasile Ciura, metal fitter, Electrometallurg Timisoara: "I didn't read the draft Constitution, but I've taken upon myself to criticize a law issued by Parliament, which is made up of the currently most opportunist people in the country. I hope that this thoughtless action they detained the present form of the Constitution."

that every honorable man can have the bare necessities of life. The profiteers and criminals must be subjected to very harsh laws."

Carmen Craciun, housewife, Timisoara: "I'm no good at politics, laws, and such matters. I have three young children and only my husband works, and he is about to lose his job. Our life is very hard. I don't know what improvements we can expect from this Constitution. All we still have is the hope that we will be able to overcome these difficulties."

Ioan Barta, Technical University student, Timisoara: "To tell you the truth, I didn't read the Constitution. From what I have heard, it was done after the French model, so it is patterned on the idea of a republic in which the president is elected by the people and wields considerable powers. I don't know whether it will suit us. I'm inclined to think that it will, although we have a knack for being original when there is no need for it. Because of the spectacle that our elected representatives in Parliament have been offering us in the past couple of years, the idea of a parliamentary republic has been rather discredited in our country."

Simona Pitis, Libertatea Company, Sibiu: "I am in favor of a presidential republic, so from that viewpoint I agree with the present Constitution, which will be submitted to a popular referendum. A monarchy seems to me utterly anachronistic at the moment. We need a Constitution as we need air to breathe, and if we keep finding faults we will never get anywhere. Is there room for improvement? Yes! So let's get with it and then we'll see what's not working. I don't know exactly how the separation of powers in the state is done, which is one issue that the critics are now picking on. They have every right to be against it, just like the UDMR in fact, on condition that they don't go too far. I hope that the referendum won't be characterized by mass absenteeism, not because of the opposition, but because people have become rather fed up with politics."

Andrei Colompar, lathe worker, unemployed: "The old Constitution featured a guaranteed right to work, the new one sanctions the right to be unemployed. We're going for a market economy? Very well. But means must be found to neutralize the effects of the transition. I am convinced that the majority of the people are now indifferent and that may show itself on 8 December. Anyway, it's good that we'll be done with the dispute. Should the king come, should the king not come. The referendum may be the last chance for the supporters of the monarchy, but I fear there won't be many of them, or so I think."

Corina Dejeu, student at the Technical University, Timisoara: "I think it's very good that Parliament passed the Constitution. Any state needs a fundamental law first of all. How good it is, I don't know. I haven't read it yet. But the future will decide. Now it's important that we

have a Constitution so that we can go on. Good or bad, that can be sorted out later. At least I want to believe that that's what will happen."

Adela Alexandrescu, designer, UJCM, Timisoara: "My view is that a referendum should have first been held on the form of organization of the state: parliamentary republic, monarchy, or some other form. The parliamentary commission in charge of the Constitution should have been formed after the electorate expressed its preference. The draft should have been discussed in Parliament and put up for vote, and if it was passed, then a new referendum should have been organized for the people to express their views."

Ioan Irimide, engineer, State Inspectorate for Construction Quality, Timisoara: "A constitution with an imperfect text is still better than no constitution. The future will undoubtedly require improvements in the text."

Ladislau Bachner, head of projects, Technical University, Timisoara: "I read the Constitution in RENASTEREA BANATEANA on Tuesday, when it appeared at the kiosks. At a first reading the provisions seem good. Since the Constitution of France or of the United States were never published in our country, I cannot tell whether it is democratic in comparison with other countries or not."

Vasile Roiban, unemployed, Timisoara: "The Constitution mentions the right to work. In order to have that guaranteed right respected, the government must make efforts to create new jobs."

Mircea Alupuiesei, driver, Cons Company, Timisoara: "The passing of the Constitution is something special and I will vote for it, although some newspapers are pointing out flaws in it. Those can be amended later."

Teodor Vasilescu, retired teacher, Timisoara: "The best constitution in our country was that of 1923. The Constitution of 1965 was artificially passed by the Grand National Assembly. The people never endorsed that constitution. This draft, on which we will vote on 8 December, is important because it was hammered out and because it exists. The improvements can come later."

Vasile Savescu, electrician, Turcent Thermal Power Plant: "I haven't read it yet. But I will vote for the Constitution. It represents us, and without it."

Dan Struca, student, Timisoara University: "My opinion? So far I have no doubts. Once we vote on it it needs to be implemented and observed."

Mimi Alexandroae, worker, IPI, Timisoara: "I think it is correct and just. I hope that once the Constitution is passed the competent bodies will do their duty and make order in the country. What I mean is that profiteering, petty theft by state sales people, the thieves and the criminals should disappear. Each person must get down to work so that in a few years time we can show that life in Romania can be as good as in the West."

Maria Luchin, regulator, AEM, Timisoara. "The Constitution should have been passed sooner. I haven't read it, but I do have it, although it was difficult to find. Aside from your newspaper, no other paper carried it. I hope it will be good. As for the rest, we'll see."

Iuliana Stetcu, housewife, Platanilor St., Timisoara. "Yes, I think all will be well. The main thing is that it be observed from the bottom rungs to the top. I also think that after it's passed some things will change for the better and in favor of the public."

Tiberiu Papuc, unemployed, Timisoara. "I haven't read it. I only know what I heard on the radio and television. My opinion? Well, a state without a constitution is like a child without parents. No!"

Union Leader Views Current, Former Government

22BA0283B Timisoara RENASTEREA BANATEANA
in Romanian 16 Nov 91 pp 1, 15

Interview with Miron Cosma, leader of the Jiu Valley Miners Trade Union, by Mariana Cernicova, place and date not given. "Once the Trade Unions Have Their Own Representatives, They Will Not Have To Go Knocking on Doors"

[Text] [Cernicova] Mr. Cosma, you emerged after a few hours of negotiations with Prime Minister Theodor Stolojan. What were the conclusions?

[Cosma] Do you really think that I have time to talk to each and every journalist? As you see I belong to a team of trade union leaders, we are in the midst of discussing issues, and I'm not there for the press, but for my colleagues.

[Cernicova] Are you happy with the outcome of the discussion?

[Cosma] Ask them. In the Jiu Valley there are no big bosses, we are all equal trade union leaders. Our leaders are organized along horizontal lines. I respect my colleagues and I cannot be different. You and others have glorified me much too much. But I am at the same level.

[Cernicova] Are the outcomes of the discussions likely to create some sort of stability in the Jiu Valley, or do you think that another trip to Bucharest will be required, a new wave of demands?

[Cosma] It is still premature to say anything. After all, this was the first discussion, whose purpose was to establish relations of rapprochement between the two systems, the trade unions and the administration. We don't have the kind of great demands that have been alleged, on the contrary, we say the same thing about them (the former government—ed. note). We have produced all the legal papers that the League drafted in compliance with the law on labor disputes, with a view to not pushing the situation to a crisis, but I repeat, it seems that this dispute (of September—ed. note) was sought out.

[Cernicova] Were you bothered by the formula called "the Jiu Valley effect?"

[Cosma] The Jiu Valley effect will allow you too to endure the current prices. The phenomenon is in your advantage, too.

[Cernicova] Did you think that the "blank" proposals made at the presidency before the formation of the new cabinet were echoed in the Stolojan cabinet's actions regarding the miners?

[Cosma] The old government had said that the miners' demands had been approved before we came to Bucharest. But they lied both to us and to you, because only some of the demands were approved, while for the others there existed only recommendations. It pains me to have to tell you that some of the unsolved problems go back to January 1990.

[Cernicova] Has this cabinet shown more sensitivity?

[Cosma] I noticed that direct measures were taken at the discussions, to use a rather communist expression. I would say that tasks were assigned and explanations were demanded.

[Cernicova] So a new intervention at the presidency won't be necessary?

[Cosma] No, of course. I think that this prime minister is more realistic and perhaps more open to dialogue. To use one of his expressions, he is a prime minister who is not so keen on his position.

[Cernicova] Have you seen President Ion Iliescu?

[Cosma] No, I'm going home because we had an accident at Urzicani and we want to get there as soon as possible to see how we can help people.

[Cernicova] Do you expect to draw closer to any political party come election time?

[Cosma] What I think we should do is not integrate with some party, but in order to make the executive accountable, beginning with the Parliament, the trade unions must designate independent candidates to represent them, not the interests of some party. As I have said before, the parties in Romania have not yet broached the social aspect of the problems. If the trade unions had their own representatives they wouldn't need to go knocking on doors and be barred from discussion.

[Cernicova] There is a lot of talk about the spirit of Polish Solidarity and about the idea of a solidarity coming up from among the trade unions. In view of the growing economic problems, do you think that the trade unions have a chance of winning the state power and pushing their people to the top?

[Cosma] Why not? But there's no need to draw comparisons. We Romanians have suffered great losses because we compared ourselves to others. This we must halt.

own personality? Why should I, Cosma, resemble Lech Walesa or embrace his views?

[Cernicova] Do you think that your trade union can compare with Solidarity?

[Cosma] I think there are shared points, because they, too, were an anticommunist movement, but don't forget that we, the Jiu Valley miners, began the anticommunist struggle before Solidarity did. You see, we didn't have Lech Walesa's demands, we just wanted the Romanian people to open their eyes to the Ceausescu threat. The people did not, and we suffered so many years. We did it again because—this is my personal opinion—I think that the government situation showed negative influences. I am of course referring to the former prime minister.

Anti-Gypsy Attitudes Attributed to Economic Envy

V2BA0296A Timisoara RENASTEREA BANATEANA
in Romanian 31 Oct 91 pp 1, 13

[Interview with Nicolae Mihai, deputy chairman of the Democratic Union of Gypsies in Romania and chairman of the Banat branch, by Ion Dancea, place and date not given. "Banat Gypsies Are Silk Gypsies"]

[Text] [Dancea] How many members does your organization count?

[Mihai] About 3 million.

[Dancea] For a long time the Gypsy community was viewed as a closed community and blamed for its social behavior. What do you think are the reasons that it continues to be ignored and viewed in the same manner?

[Mihai] The reasons are rather numerous, because although we've been born here for generations, many of our fellow citizens don't think of us as native sons. However, I want to make it clear that we don't agree with those who, speaking on our behalf abroad, say that the Gypsies are persecuted in Romania. I think that it is rather a matter of prejudices on both sides. We view ourselves as Romanian citizens and make no distinction between our community and the Romanians, like many Hungarians, for example, do. Let it be clear that we are on the side of this country and of Romanians!

[Dancea] Then tell me why people speak so ill of the Gypsies?

[Mihai] I tend to think that it's envy. Many people think that our life is easier. Indeed, most of us are in business, which is an easier and more profitable area than others. Other people work hard and cannot make more than the Gypsies. When a person is born to be a dealer—and we are—he can earn a living easier than others. I think this is at the origin of the hatred between Romanians and Gypsies.

[Dancea] Let's take your specific case. We are having this discussion in a building which in the end will rival the most elegant in town, at least architecturally. Do you

think that you have been working harder than others of your age and training? In what way do you think you're better than they are?

[Mihai] In my opinion, the difference between someone like me and another person of the same or better training lies in the manner in which we handle money. One person may make, let's say 5,000 to 6,000 lei a month and spend it in one evening. We Gypsies, when we have 5,000 lei, spend 500 and save the other 4,500.

[Dancea] How did you get together the resources to build this building?

[Mihai] In 1980 I left "illegally" for France with my whole family, worked there from 0600 to 0200 for 10 years and saved every penny. I swore that when Ceausescu died I would come back to show those who said that I didn't like to work, what I could do.

[Dancea] Mr. Mihai, do you think that all Gypsies thought the same? Across from the Fabric Railway Station an equally luxurious building is under construction which, from what I heard, also belongs to a Gypsy. Do you know him?

[Mihai] He's a relative of mine.

[Dancea] Many people are wondering about the same questions I'm asking you, surprised by the Gypsies' unusual display of fortunes, although they lived in the same conditions as the rest of us Romanians. Don't you think that the disparity is too striking?

[Mihai] The man at Fabric lived in Germany, where he traded in flowers. His name is also Nicolae Mihai.

[Dancea] It is said that a daily worker hired by one of you gets 500 to 600 lei an hour, while elsewhere a whole working day doesn't earn one as much. Do you think that's ethical?

[Mihai] It's neither ethical nor true. We pay people based on their skills and the kind of work they do.

[Dancea] We've been told that some of your people will choose a house they like, go to the owner and ask him to sell it to them for lei or foreign currency, offering much more than people of other categories could pay. As they are usually refused, there comes the second part, the threats, worded more or less like this: "OK, if you don't want to, but you must realize that we have already bought that house and that house. If you don't mind having us for neighbors!" Are you familiar with such cases?

[Mihai] No, I'm not. If such things happen, I don't think it's good.

[Dancea] That's saying too little because the Gypsies in question are often ready to go from talk to action.

[Mihai] They have a right to buy and to offer what price they want.

[Dancea] Yes, but without threats.

[Mihai] If I hear of any such case, we will bring him to trial before our disciplinary commission.

[Dancea] Let me tell you another story. One month ago several Gypsies locked up the watchman of an apartment house being built in Dorobantilor St. and stole everything that could be moved—cement, bricks, shingles, timber.

[Mihai] We have investigated that case and have not found out who the thieves were.

[Dancea] Have you heard about horses stolen by Gypsies and "dumped" over the border to Serbians or Hungarians?

[Mihai] Yes, but you must realize that now Romanians are stealing the horses and selling them to Gypsies. As far as I know, they're no longer getting involved in such deals.

[Dancea] Let me give you another example that's worrying many. A large number of livestock facilities have been bought by one of your people.

[Mihai] I know the case. It's Petrica, we call him the Baron.

[Dancea] What is his last name?

[Mihai] Sucu.

[Dancea] I heard he was called Sporer.

[Mihai] Yes, he has changed his name.

[Dancea] How does he have so much money?

[Mihai] He, too, worked in Germany. I, and the guy across from the railway station, and Sporer come from the same family. Mihai: We've been in business for generations and we were rich. Our goal was to have as much money as possible. In Germany, in France, we saved money, we didn't live it up.

[Dancea] You know what is said "on the other side" about Romanians, and also that most of those who had-mouth us are Gypsies. What do you think could be done to change this perception?

[Mihai] Our ethnic community is made up of several categories. Some make a living dealing in gold, some steal, and some sell fake jewelry. . . . And since you're pressing me into the corner with the questions, let me tell you that we, the Gypsies of Banat, are silk Gypsies. We never got into dirty tricks. We are against thieves and con men.

[Dancea] Some months ago we talked about the social integration of your ethnic community, among other things we talked about opening a class at the Normal School to train teachers and educators for future classes teaching the language of the Gypsies. Have you undertaken anything concrete?

[Mihai] We have four students at the Timisoara Normal School, which I think is very few.

[Dancea] Of the objectives that your Union planned, what do you think has not been achieved?

[Mihai] Schools and kindergardens for our children. Even if we had received help to open schools, obstacles would have been raised for us.

[Dancea] What exactly?

[Mihai] We're having difficulties obtaining a building, let alone asking for a class taught in our language. Nevertheless, I think that compared to the communist period, the direction is good. The money and gold we had, we kept in hiding. I want people to know that we didn't become rich overnight, our fortunes were made over generations. Under Ceausescu we continued to save, but there was nothing to do with the money. Our elders used to say that some day we will be able to take pride in our money. We, the Banat Gypsies, don't want to fall behind the Banat Romanians. This scares many people. They say: Have you seen the homes of the Gypsies? But they don't know how we made the money. Let me give you an example. I had a big restaurant in France. All kinds of customers came in and some of them were thieves. One day the thieves could have 20,000-30,000 French francs [Fr], and the next day they'd ask me to lend them Fr500. I would ask them how they made a living and they would tell me from stealing. I remember one of them once showed me Fr100,000 and five days later he didn't have one centime left. We Gypsies, don't play cards, we save the money in order to amass fortunes to boast about. Generally, my people dealt in copper and later gold, from which they made jewelry. Others dealt in bottles or feathers. It must be realized that not all the Gypsies who were hired the same results as we did.

[Dancea] From the approximately 30,000 Gypsies who you said live in Timis, how many do you think are at least high school graduates?

[Mihai] About 10 percent. We do have engineers, physicians, professors, and lawyers among us. They all still think of themselves as Gypsies.

[Dancea] Don't you think that one of the objectives of your Union should be the social integration of the Gypsies?

[Mihai] At all our meetings I have told our members that those who want to organize some activity should come to us and we would help them go legal. Indeed, many have come to me and I have fulfilled the wishes of some of them. But a forest without dead wood doesn't exist. Many of our problems are created by Gypsies coming to Timisoara from other counties. They think that life here is like in the West.

[Dancea] What are your relations, the Union's relations with the authorities?

[Mihai] The prosecutor's office or the police often send me cases, as chairman, to try them ourselves. They are told: "Go to your chairman, and if he doesn't solve it, then we will draw up papers in compliance with the law." City hall often does the same.

[Dancea] Can you give us a specific example?

[Mihai] Our trial is harsher than the actual laws. Two policemen sold a CEC [Savings and Loan Bank] certificate for a car to a Gypsy for 110,000 lei. The next day the Gypsy went to the family of one of the policemen and asked to be given back the amount over 70,000 lei, which was the amount of the CEC certificate, otherwise he was going to sue them for profiteering. The policeman's mother had a heart attack and landed in the hospital. The policeman went to the prosecutor's office, where he was told that, indeed, the CEC certificate was for 70,000 lei and hence the prosecutor's office couldn't help him. He was directed to the Gypsy president for justice. He came to me, and I told him: "You were overcharging, but never mind. What you agreed on at the beginning, that goes."

P.S. We will stop here with our questions and answers, but because we are aware of citizens who are unhappy about antisocial actions in which Gypsies are involved, we want to ask our readers to tell us about cases known to them. We will either use these cases in the press, or bring them to the attention of our interlocutor and then report to the public the measures taken by the Democratic Union of Gypsies.

Unblocking Measures, Credits, Unemployment

92BA0314A Bucharest LIBERTATEA in Romanian
11-12, 12-13 Dec 91

[Interview in two installments with George Marius Danielescu, minister of economy and finance, by Petru Calapodescu, place and date not given. "Two Keys to Western Sales, Democracy and Reform"]

[11-12 Dec pp 1, 4]

[Text] [Calapodescu] Minister, after a very long silence, a press conference was held at the Ministry of Economy and Finance three weeks ago. Perhaps you can tell us the reason for that lengthy "discussion."

[Danielescu] Because I was not at the Ministry.

[Calapodescu] You said it. But even at that first press conference, you personally spoke very little and left the floor to your aides.

[Danielescu] I don't like to talk a lot.

[Calapodescu] On the other hand, I understood that you recently brought a lot to the country. People think that you are a "doer." The Stolojan government came after the miners' raid—and we know what impression that made abroad—and on the brink of a harsh winter. It would seem that things are beginning to improve. Please

summarize for us the loans received since you came to the ministry, the prospects existing in that area, and the purposes for which they will be used.

[Danielescu] In the first week after the installation of the government I already had a meeting in Washington with representatives of the World Bank and IMF regarding the financial relations between Romania and those organizations. In the discussion with the IMF we presented the government's economic and financial policy because, as is known, we have a stand-by [preceding word in English] agreement with the IMF and, just as they pledged to give us a number of loans under this agreement, we pledged various economic policy objectives and certain economic parameters that we have to fulfill by very clear deadlines. Certain parameters were set for 30 September and others for 31 December. The fulfillment of those objectives will give Romania some economic and financial credibility in the work and demonstrate the government's desire to continue the reform. I also had meetings with representatives of the World Bank, who plan to finance a number of projects to modernize the infrastructure in our country and will give us a loan for structural adjustment. The talks for this loan are now underway. This is the SAU [expansion not given] loan. A delegation is now in Bucharest to assess all the objectives we agreed upon with the World Bank. We also managed to finalize agreements with the Group of 24 [G-24] on a 1 billion [currency not specified] loan. It must be clearly stated that we have not yet received the entire billion. There must be no confusion about that. The 1 billion loan was approved as follows: 50 percent from the EEC—an agreement was signed for that portion in Brussels on 28 November. The other 50 percent will come from several countries. The EFTA [European Free Trade Association] member states (Sweden, Norway, Finland, Austria, Switzerland, and Iceland), the United States, Canada, Japan, Turkey, Australia, and New Zealand. The other countries, except for the EEC, had and continue to have reservations, caused primarily by the wary attitude of the United States. Japan pledged to give us its share of the 1 billion once the World Bank pays the SAU loan, which may happen in February. The U.S. position has more to do with political aspects.

[Calapodescu] Is there recently a greater tendency to link loans to political or economic criteria or to the inflexible continuation of the reform?

[Danielescu] In this respect there are two categories of states. The European countries are more pragmatic; primarily they appreciate the continuation of the economic policy and the reform, and it was in that light that they agreed to sign the Memorandum and the loan contract. On the other hand, the United States believes that first there must be certain political developments in our country—with reference to local and general elections—and only then will closer economic relations follow. And yet other countries are waiting to see what the United States will do.

[Calapodescu] Judging by the contacts you had after the installation of the Stolojan government, do you think that Romania's credibility concerning the continuation of the reform and democratization is likely to consolidate?

[Danielescu] The situation is improving regarding our credibility, too. I noticed that our credibility is higher than it was let's say, three months ago, because the country is now run by a coalition government which includes representatives of the National Liberal and other parties, who hold important portfolios, so from this viewpoint, too, an important step has been made on the path to democracy. Also, we have greater credibility because the reform continues. I'm referring mainly to the very important and decisive step of introducing convertibility, which is viewed everywhere in the West as one of the essential traits of a market economy. From this angle, we too are now in line with international standards. Consequently, we are trying to introduce order and truth in the economy.

[Calapodescu] Showing the naked face of our finances.

[Danielescu] Precisely, disclosing the inefficient processes, too. Consequently, this is more or less the status of our financial contracts and relations. We managed to secure this loan for 375 million ECU [European Currency Unit] (approximately \$500 million) from the EEC. The first installment will come in immediately after the Parliament has ratified the loan agreement, which I don't think will run into any opposition. Now everything is up to us, the ball is in our court. I regret that Parliament didn't rush this procedure. Then comes a formality, namely the legal verification of the Memorandum and the agreement by the Romanian Ministry of Justice and by an EEC expert, and then the loan itself, which will come into the country probably at the beginning of January.

[Calapodescu] Minister, people were glad to hear about this billion dollars, of which \$500 million depend on how quick Parliament will be. But is this loan meant to help us survive the winter, is it earmarked for consumption? Should the Romanian citizen conclude that this loan will buy potatoes, coal, oil, electrical power, and whatever is necessary to get through the winter?

[Danielescu] Precisely, that is the purpose of the loan, it's not an investment loan. It was approved in order to support our balance of payments. At this time, the balance of payments—i.e., Romania's currency reserves—is uneven because of the large imports we need to bring in this winter for energy, crude oil, methane gas, coal, potatoes, and everything we're no longer managing to produce in this country. So, the calculations we made before the convertibility between the required currency reserves we have and payments for the things we will import from now until March, included these resources that we were scheduled to receive. The calculations were very clear. With these resources, plus our revenues from exports, we can ensure normal energy consumption until

the spring, so that certain enterprises won't need to remain closed, indeed, there are no restrictions on energy consumption now. This very day I signed a guarantee for the import of potatoes, so we hope that things will go well. The oil imports are proceeding smoothly. In the past two weeks we even managed to recover some of the delays in that area.

[Calapodescu] Will the loans keep coming in the future?

[Danielescu] The prospects are as follows. In February we may get the second installment of this loan from the EEC. This installment depends on continued relations with the IMF. If we stay with the present stand-by and even manage to sign a new one, we will have very good chances, practically 100 percent, of continuing to cooperate with the G-24, too, and of securing a new loan. The key is once again in our hands. We have certain parameters, certain objectives that we have to fulfill toward the IMF, at present we are going through a difficult period, what with these massive energy imports, the financial unblocking we must achieve, and all the domestic problems in our economy, generated by the very big imbalance between consumption and resources. So the issue is the credibility of Romania's economic policy in the eyes of the IMF and the West in general. I want to take this opportunity to once again emphasize my opinion in this respect. We must demonstrate to our foreign partners that we are firmly determined to follow the path of a market economy, that we know how to produce, not only how to consume, and that we will not allow inefficient enterprises to continue to exist and cause losses—enterprises that we either end up subsidizing from the budget or having the banks subsidize them through loans that we are then forced to repay by other means. We must very clearly demonstrate that we have the strength to stop these enterprises that do not run well or that don't have secure markets, and that we will not allow the continuation of this financial disorder that has completely disrupted the relations between creditors and debtors.

[Calapodescu] Is financial unblocking, as currently practiced in Romania, compatible with a market economy?

[Danielescu] The financial blocking was caused precisely because of the existence of this market economy.

[Calapodescu] The blocking is there. But is the unblocking that your government pledged compatible with a market economy, or is it a "humanitarian act"?

[Danielescu] In principle it is not compatible. The problem is that both the enterprises that were doing badly and those that were doing well but were affected by the others landed in the financial blockage, because of the fact that we did not have all the necessary tools to halt the spread of the phenomenon.

[12-13 Dec pp 1, 5]

[Text] [Calapodescu] The tools or the strength?

[Danielescu] No, we didn't have the tools either. What do I mean? The banking system should have been the

try to stop the spread of this process. The bank is the one to decide whether an enterprise will not be able to make its payments and whether its credit is to be cut. But the banks are now in the midst of change and of training their personnel and helping them adapt to the present conditions. In the past they were accustomed to give credit out of inertia. Now they have to clearly decide. "This one gets no more credit, I'm stopping it." Consequently, I think that we must now carry out the unblocking, although it is not compatible with the principles of a market economy. We'll do the unblocking, place all the enterprises on the same track, especially in view of the rate of exchange we introduced, so that none of them enjoys import advantages—get imports at 60, 100, or 150 lei—and all will have the same advantages and disadvantages: the cost of energy will be the same for everyone, so they can calculate everything exactly. Simultaneously with the unblocking, we will introduce very stringent and clearly announced measures of financial discipline. In one month's time, as soon as an enterprise becomes incapable of meeting its payments, it will stop as it has to, it will have to save itself, if it has stockpiles it can sell in order to pay the creditors. If it has fixed capital it can put on the market—OK. If it doesn't necessarily have to go bankrupt, it can sell some of its assets in order to pay the creditors and continue.

[Calapodescu] What is more efficient for the society: to unblock the finances of some failing enterprises, or to solve the unemployment situation?

[Danielescu] The problem is more complex than that. First of all, we don't know exactly which enterprise is blocked, and which is not among the ones affected by blockage. They entered the blockage with distorted costs because of the old system of a dual exchange rate. We don't know for sure which enterprise is blocked because of its own poor operation, and which is not.

[Calapodescu] There may be innocent victims.

[Danielescu] If course. That is why we need to grant them that respite, but without any obligation on our part. Simultaneously, with the unblocking, we also introduce very stringent measures of financial discipline and even introduce a model for a bankrupt enterprise, then our economy in the West will grow. This is a bold measure which naturally has a political tinge to it, too, but it has to be accepted.

[Calapodescu] Was the improvisation—perhaps the worst of all the best—style used in the financial area in the past two years one of the causes of the fact that the public is still ignorant of the 1990 budget account or the 1991 preliminary situation?

[Danielescu] Well, the financial improvisation is part and parcel of the grand improvisation prevailing in our economy. We all thought that we were headed straight for a market economy and weren't going to stop until we got

to heaven, but the situation is not quite like that. We've been gradually waking up to the reality and seeing that the market economy is not exactly what we thought, that the rules are very harsh, and that—this is something I want to stress—a market economy does not mean that everyone does what he pleases.

[Calapodescu] Or especially not in a market economy.

[Danielescu] Indeed, not the way all these enterprises thought. There must be a very close coordination between the institutions that provide leadership in the economy, economic leadership. The banking system cannot be independent and operate according to its own laws. You can't have the government struggling with its difficulties while everyone looks around happily and says "Soon we'll have a market economy." As soon as we grasp all these issues—but that will probably happen somewhat later—we shall be wiser and work better. Regarding the budget. The 1990 budget will be presented in Parliament now, together with the Law on the 1991 Budget. That's how it should be. The previous year's budget account is presented simultaneously with the draft for the following year. At the same time we will present a preliminary report regarding the implementation of the 1991 budget. The situation will be very clear. We have no intention of concealing the figures, on the contrary.

[Calapodescu] Do you have doubts regarding the 1990 budget year?

[Danielescu] No, I have no doubts. The budget implementation went normally. Actually for 1990 there was no budget law, because it was not possible to adopt one in view of the events of the time. The work was guided by government decisions passed every quarter. Naturally, 1990 was a special year for everyone, including the financial sector.

[Calapodescu] A "strange year," one may say.

[Danielescu] Yes, you can say strange. I said "special" because in 1990 we all lived with the illusion that we had loads of money. First of all the illusion that we had a lot of dollars, that illusion still exists also in the press, namely that we started out with I don't know how many billions of dollars. That was not really the case, we didn't have as many billions as was alleged, but we did spend as fast as we could and indiscriminately. Then there was the illusion that we had a lot of lei, so we handed them out right and left, both out of real necessity, in order to correct some difficult situations or imbalances in the economy, but a lot of money was also spent for electoral purposes. Evidently, we had to wake up to the reality. We are a country with a low per capita national income, but we mustn't rely too much in aid from abroad, we must help ourselves as much as we can.

[Calapodescu] What is the contribution of the private sector, the private companies, to the state budget?

[Danielescu] Very little goes into the state budget from private companies. According to the law on profit tax, commercial firms are exempted from paying tax for six months, firms dealing in services for one year and production companies for five years. There is also the sales tax, but a recent government decision reduced that tax, too, some nontaxable products and services have emerged, too, precisely in order to stimulate their development. So the taxes on the private sector are low.

[Calapodescu] Are you happy with the present Romanian fiscal system?

[Danielescu] The fiscal system evolves in step with the economy. Currently, it matches the stage at which we are from the viewpoint of budget needs and the need to encourage economic activities. I think that it is a good system.

[Calapodescu] Please clear up a confusion for us. There was a government decision that ruled that the overall trade markup could not exceed 30 percent of the value of a product along the producer-middleman-retailer or importer-middleman-retailer chain. Does that include the retailer, or not?

[Danielescu] It includes the retail seller, and the decision is compulsory.

[Calapodescu] That means a lot of work for the Finance Guards to control the temptation of some businessmen to evade that provision which was designed to protect the consumer. By the way, are the Finance Guards completely autonomous, are they protected from influences or let's say, pressures apt to affect their objectivity and intransigence?

[Danielescu] Yes. That institution is currently directly subordinated to the minister of economy and finance and that I hope will ensure the conditions for increased objectivity.

[Calapodescu] Minister, what other objectives do you have for the immediate future?

[Danielescu] First of all, we mean to carefully control price increases, so as not to exceed certain limits, which according to our information, some are already trying to force. Meat prices, for example. What those people are attempting is very dangerous, we must not allow the meat prices to get up to 1,000 to 2,000 lei per kilogram. That's completely unacceptable.

[Calapodescu] Which means that an average salary would buy just a few kilograms of meat?

[Danielescu] We must not come to such a situation, and we will not allow it. Such cases will be stopped. But just about everyone is trying to take advantage. Thus, although the government decision envisages that the prices for raw materials must match international prices, one enterprise—which supplies lead for *Acumulatorul*—dared to begin the negotiations at a price five times

higher than the world price! Such occurrences, which are against both the law and any economic process, must not be condoned.

[Calapodescu] One month after the miners' raid, you have to persuade foreign partners to resume the dialogue. Do you think that there is a direct relationship between the climate in the country and the receptiveness of the international financial institutions? I'm asking you both as the minister and also as a prominent member of the National Liberal Party on the eve of elections.

[Danielescu] We need the right political climate, which is very important in the eyes of people outside the country. That means that we must go through the electoral campaign—which will be very long, over four months—without street clashes. It must be a real and decent confrontation of ideas, regardless of the alliances or nonalliances among parties. The political climate is very important for the economic and financial relations, but it is not the only factor. At least as important is the economic climate. We must not fall into the other extreme and imagine that if we remained passive regarding the reform, we would have any chance of success. No, we have equal need of a good political climate to go through the elections smoothly—regardless of their result, because that's what democracy is—and to continue to make a big noise, so to speak, about the reform. We must show that we are struggling, that we are progressing, that new enterprises are opening while others, the inefficient ones, are dying. There must be visible economic bustle. Only then will we have credit and get into the private money market, too, which is far larger than the one we have penetrated so far.

[Calapodescu] What other question did you wish to be asked?

[Danielescu] You've asked just about everything. I wanted to tell, we touched on all the current important issues. Nevertheless, there is something I want to add before ending. I would like to stress that Romania has no need for two economic policies. I want this to be very clear and I'm saying it not because I am the minister of economy and finance and because I feel frustrated in some areas, for the good of this country, the same policy that the government is promoting must also be pursued by the banking system and the National Bank. If we, the government, are pulling in one direction and the banks in another, and if there is a risk or chance that certain objectives of the economic policy won't be attained because of the banking system, then that is unacceptable. The country's interest must prevail.

[Calapodescu] Thank you.

Official Urges Privatization of Farm Equipment

22BA03124 Bucharest TRIBUNA ECONOMICA
in Romanian 6/13 Dec 91 pp 4

Interview with Ovidiu Grosu, secretary of state at the Ministry of Agriculture and Food, by Gheorghe N. Iosad
place and date not given. "Farmers Must Be Encouraged, Not Disadvantaged"

[Tesi] [Ioan] Minister, please begin by telling us a few words about the difference in attitude toward agriculture before and after the revolution.

[Girau] Before the revolution the agricultural sector was expected to produce and to finance others, to ensure the development of the industrial colossus that produced nothing good. Now, as is normal, the agricultural sector is viewed as a branch capable of contributing to resolving Romania's great problems. The beginning has been made and it had to do with transferring Romania's most important asset, land, to its true owners.

Although the belief everywhere in the world is that an agriculture practiced on small plots of land cannot contribute to the development of the economy and to raising the living standard, we believe that the Romanian peasant can prove the opposite, as he frequently did in the course of history. Therefore, the role and place of the agricultural sector in the general development of the economy must be reconsidered. The Romanian agricultural sector has the necessary potential—as it proved in the period between the two world wars—to provide food for the people and, at the same time, to produce considerable amounts for export. Consequently, the agricultural sector must be helped by providing it with the necessary means of production. Nothing can be achieved if the other economic branches don't provide it with the best tractors, equipment, chemical fertilizer, high-quality seed, and good livestock material. There is no way of improving agriculture without the necessary technical aid without injecting the necessary amounts of money in this sector, whatever the form of ownership.

[Ioan] Do you think that at present there is any contradiction between the technical means currently at the disposal of agriculture and the degree of fragmentation of the land into individual farms? And if so, how can be moderated?

[Girau] Naturally, at first sight a contradiction may be perceived along two lines: a) On the one hand, the marked fragmentation of the agricultural land (the existence of a large number of owners of agricultural land) and on the other hand, b) The existence of machinery owned by the state sector, in other words, the existence of a monopoly on the machinery. This apparent contradiction can be solved, in my opinion, by pursuing the privatization of the fleet of tractors and agricultural machines by transferring them into the ownership of associations as a first stage, and changing the present agricultural machinery stations into service sections similar to those existing in Germany, with a developed agriculture. Speaking of something else, I think that now that Romania's main asset, the land, is no longer under a monopoly, there shouldn't exist any monopoly in any other means of production. On the other hand, our agricultural infrastructure does not feature all the organizational requirements, and that is why it does not have the financial means of offering technical or financial assistance of

services to the future land owners. Consequently, our entire thinking about and behavior toward the present land owners must change.

[Ioan] As you're talking about the technical resources of the agriculture, tell us what access do agricultural producers have to such resources. What solution do you see to the problem of providing individual farms with machinery so that agricultural producers can carry out an intensive production process?

[Girau] The problems raised by the future property structure are especially complex, on the one hand, agriculture can be defined as a consumer of industrial outputs whose prices are continually rising, sometimes with no intrinsic relation to world prices and evolutions, on the other hand, agriculture produces commodities that have an immediate effect on the consumers, which exert strong pressures toward maintaining the price of agricultural produce low. As a result of this dualism, the price balance is tipped in favor of the industrial items, thus particularly putting the farmers at a disadvantage, and of course their means of procuring tractors, agricultural machines, fertilizer, and whatever else they need. That is why I believe that the state must currently make special efforts to get foreign loans to raise labor productivity in the industrial branches manufacturing agricultural means of production, or by whatever possible means in order to provide the farmers with tractors and machines at affordable prices. Moreover, the state must use the lever of bank credit, helping the banks to support or reduce interest rates, and must also offer the necessary assistance in the professional training of all agricultural producers.

[Ioan] Now we would like to ask you to cite several examples of prices of inputs (preceding word in English) that the agriculture is currently acquiring.

[Girau] Because of the correlation between costs and prices, the increases in the prices of industrial products may lead to increases in agricultural prices. If we consider the fact that after the consolidation of the lei/dollar rates of exchange the prices of industrial products used in the agriculture increased about three times over, then we must also consider an increase in the price of agricultural products. The state must intervene to ensure that the latter do not cause special social problems, in view of the fact that the agricultural sector is a final branch that reflects every price increase in every other branch.

In 1990, for example, distortions appeared along this line because of the increase in industrial prices. One illustration is the fact that in 1991 the consumption of chemical fertilizer was very low. For example, 10 times less nitrogen was used, 21 times less phosphorus, 22 times less potash and in the final analysis that had a negative effect on production. Fortunately the negative effects were in 1990 moderated by extra precipitations and favorable natural conditions, something that continued in 1991. If we recall that the number of tractors received in the agricultural sector dropped considerably

we must consider the causes that generated that situation. The main cause was the price. Compared to the beginning of 1990, the price of a tractor, for example, increased from 100,000 lei to approximately 1,400,000 lei. We must also consider the comparison with world prices. While before the liberalization a tractor could be procured for 70-75 tons of grain, currently the delivery price for a tractor requires more than 200 tons of grain, which is the yield of 60 hectares cultivated to wheat or corn. If we extrapolate those examples to the world level, we note that the difference is rather large, approximately double, in terms of the European price of a tractor.

Another area is that of a development strategy for the agricultural sector, based on the level at which we now are and taking into account the effects of the implementation of the land law. This strategy, on which the Ministry of Agriculture is now working, will have to be correlated with the other branches, too, and with the level of development of the industry, which provides some of the industrial products (tractors, agricultural machines, chemical products), and must also be closely linked to the manner in which energy is procured and utilized in the agricultural sector and in related areas.

Another very important means of improving the agricultural sector is to subsidize it, especially at the level of the farmers themselves. The fact that at present there is no clear concept about that and that the bodies in charge of approving such subsidies have not clearly defined their concept is leading to the uneven development of certain agricultural branches, something that is producing undesirable effects. For example, the development of the poultry branch has slowed down and run into disruptions; currently the branch does not have the money resources and amounts required to continue the production processes. Such moneys should be provided from the state budget.

We indeed have special problems that should be resolved by the government, also regarding the handling of the price system in the agricultural sector. Before the revolution it was clearly known that the agricultural sector ran about 30 billion lei in losses every year, while at the same time the food industry made 40-50 billion lei in profits, whereby the price system practiced was very disadvantageous to the agricultural sector

[Iosif] Do you think that the correlation between the cost of industrial products acquired in the agricultural sector and the prices at which they are sold is in the least reasonable, considering that the agricultural sector is forced to purchase, whatever the delivery price charged by the respective branches?

[Grasu] I'm not very familiar with the situation in branches other than the agricultural one. One thing is clear to me, namely that the government decision to consolidate the lei/dollar rates of exchange should automatically contribute to achieving a balance and making all industrial products profitable. Because of the fact that Romania is a major importer of electrical power, energy imports contribute to the manufacture of products designed to not bring about nefarious effects in other branches that require those industrial products. The agricultural sector is disadvantaged along this line because, since there exists a total monopoly, it is forced to accept the products regardless of their quality and with no possibility of opposing the prices. It should be remembered that agricultural products are consumed three times a day (which is not the case with any other product) and that their price has an immediate impact on the pocketbook of the consumer and of every family.

In my opinion, the advantage of using a single exchange rate should be used to set the prices of agricultural produce in parallel to those of the industrial products consumed in the agricultural sector, taking world prices as the point of departure. For example, in order to import one ton of corn at the rate of 180 lei for \$1, we would require a price of 25 lei/kg. Currently, however, corn is being purchased from local producers at 10 lei/kg, a price that is sufficient to cover the 1991 expenses. If we take this difference (between 10 and 25), we come to the conclusion that the prices of agricultural products are too low in comparison to the prices of industrial products. I would also like to make the following comparison: one ton of oil imported at Constanta goes for \$205 to \$210, which gives us a price of up to 40 lei/liter. There is no disputing that between 53 lei, which is the new price of one liter of oil, and 40 lei there is an inverse difference compared to the preceding example. The natural conclusion is that we must achieve prices that will not disadvantage the agricultural producer and that will at the same time integrate him in the market economy.

Serbian Krajina Republic Border Determination

92BA0304A Belgrade *POLITIKA* in Serbo-Croatian
24 Dec 91 p 10

[Article by M. Cetnik: "Now Comes Substantiation of Borders"]

[Text] Knin, 23 Dec—Now that the Serbian Krajina Republic has been officially created, the question of precise borders with the Republic of Croatia has burst into the foreground.

The boundary line has political, historical, and legal substantiation. The population living in the fringe areas of the Serbian Krajina have voted in favor of the Krajina, three times in fact. In the first referendum, the Serbs favored joining one of the Krajina opstinas. That was then followed by two plebiscites, the first for autonomy of the Krajina and the second for the Krajina to be annexed to Serbia or for the Krajina to remain in the Yugoslav Federation. All this has happened in the last year, and from the political standpoint demarcation of the border of the Serbian Krajina Republic is inviolable.

The territory of the republic mainly coincides with the region of the military krajinas which, inhabited almost exclusively by Serbs, were for two and a half centuries (from the first half of the 17th century until 1881) a paramilitary enclave of Vienna's empire without any sort of administrative ties with so-called civilian Croatia. The military krajina functioned as a military corridor between the European countries and the Ottoman Empire, with a liberal organization of social life in which the feudal relation was abolished.

From the constitutional standpoint, the Serbian Krajina Republic has dual substantiation. First, the Serbs, as a constituent nationality of Yugoslavia, if it should disintegrate as a state, have an inviolable right to self-determination. Second, the Serbian people, who for half a century have lived on the administrative territory of

the federal Yugoslav unit of Croatia, are under the Constitution one of the elements creating the state of SR [Socialist Republic] Croatia. This leads to the historical factors. In that context, it is not without importance that the Krajina Serbs, in creating Yugoslavia, brought together the Kingdoms of Serbia and Montenegro as a constituent element of the "paper" governmental community—the state of Slovenes, Croats, and Serbs, that is, from the constitutional standpoint they were on a par with the Croats and Slovenes.

We should also add the present situation to everything we have mentioned. That is, almost the entire territory of the Serbian Krajina Republic is under the military-political control of Krajina authorities.

Even now, there is a public debate of the question of the possible coexistence of the Serbian Krajina and Croatia as states.

The Slavonian-Baranja-Srem portion and the region of Banja and Kordun are set off from the Croats by what are called natural boundaries, that is, the Drava, Bosut, Kupa, and Korana Rivers. To the south, the watersheds have not marked off so clearly the ethnic-governmental areas.

It is well known that the main natural route that links the northern portion of Croatia with central Dalmatia passes through the region of the Serbian Krajina—the valley of the Una (which includes transportation routes passing through the Bosnian Krajina) or through Lika.

In that sense, the two governmental communities have inevitably been turned toward one another, because in what might provisionally be called the "tolerant" model it is impossible to halt the passage of people, goods, and money.

The other model of relations which at this moment has more supporters in public opinion (the isolationist alternative) assumes a "Chinese wall" between the two states. This opinion is based on the aroused emotions, the state of war, and the tragic toll of the armed conflicts.

Serbian Krajina Republic Borders



The borders of the Serbian Krajina Republic have been defined by the Constitution as the borders of Serbian settlement and opstinas, which have by plebiscite voted to include the Krajina and for the Krajina to remain in the Yugoslav Federation.

The territory of the Krajina Republic is determined by the will of the people on the basis of the right of the people to self-determination.

Dr. Milan Babic, president of the Serbian Krajina Republic, has drawn the border lines on the map, which we present in keeping with those principles.

Key:

1. Hungary
2. Krajina
3. Borders of the Serbian Krajina Republic
4. Knin
5. Adriatic Sea
6. Zagreb
7. Banja Luka
8. Sarajevo
9. Mostar
10. Titograd

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